

# Northumbrian Water Limited

## NWL Acceptability and Affordability Testing: qualitative research

Research report

August 2023

# Executive Summary

## Advisory Note

The purpose of this executive summary is to provide a high-level summary of the findings of the qualitative stage of Northumbrian Water Limited's (NWL) Acceptability and Affordability Testing (AAT) research.

However, this research was large scale, consisting of multiple deliberative sessions with different customer types. Further, the topics covered were complex and necessitated in-depth conversations in order to understand customer opinions in with sufficient rigour to inform the quantitative phase of the AAT research.

It is, therefore, not recommended that this executive summary is read in isolation to the whole report. Rather, it should act only as an aide-memoire for the reader.

## Background and context to Acceptability and Affordability Testing

Northumbrian Water Limited (NWL) serves 2.1 million households and businesses in two operating areas covered by Northumbrian Water (NW) and Essex & Suffolk Water (ESW). NW is a water and wastewater company while ESW is a water only company.

To meet the prescribed approach outlined by Ofwat and CCW, NWL is required to deliver PR24 AAT research. This testing followed specific guidance developed by Ofwat and CCW to enable results to be compared across the industry.

This Acceptability and Affordability Testing (AAT) was commissioned by NWL to cover both operating regions to test the draft PR24 business plan. For some aspects of the business plan being tested, differing approaches were taken in each operating region along with different bill profiles for each region. However, much of the plan relates to both NW and ESW and is shared with all participants.

## Ofwat and CCW guidance compliance

The guidance has been strictly adhered to except in circumstances where there was a strong degree of challenge from cognitive testing or the NWL Customer Engagement Panel (CEP) or where specific

difficulties were encountered despite best endeavours to follow the guidance. These instances are highlighted in the relevant sections of this report.

Finally, within the Ofwat and CCW guidance it was stipulated that this research should demonstrate evidence against a set of key analytical areas (listed below).

1.	<b>What participants most support about each version of the plan they saw and what they most dislike about each version the plan they saw.</b>
2.	<b>What the optimal version of the plan would be.</b>
3.	<b>Difference in views between people taking the perspectives of bill players, consumers and citizens and identify what the preferred plan would be from each perspective.</b>
4.	<b>Difference in views across non-households where there are themes which are consistent as a qualitative scale.</b>
5.	<b>Views on phasing and intergenerational fairness across different segments.</b>
6.	<b>How each plan was viewed in terms of the effect on affordability.</b>
7.	<b>Any clear themes by segments where these are consistent at a qualitative scale.</b>
8.	<b>Acceptability of each version of the plan.</b>

The full report concludes with a detailed index of evidence against each analytical area.

## Methodology

A full understanding of how the methodology complied with Ofwat and CCW guidance is available in the methodology section of the full report. The following information acts as an over-arching summary for contextual understanding.

The following customer types were engaged with for both NW and ESW.

- Household customers (bill payers) across all demographics
- Household customers (future bill payers) aged 18 or over
- Non-household organisations (micro-organisations with less than ten employees)
- Non-household organisations (small to large organisations with 10 or more employees)
- Household customers with health vulnerabilities (mix of those registered on the Priority Services Register [PSR] or eligible for PSR)

A combination of face-to-face workshops, online workshops and in-depth interviews were used to deliver the objectives of the research. All research was deliberative in nature.

The research involved presenting a 'must do' and 'proposed' business plan to customers including the following information for each plan:

- Proposed service levels for three common wastewater performance commitments and three common water performance commitments
- The bill impact by 2030 including inflation associated with each plan
- A number of enhancement cases and phasing options for these – in NW there were five and in ESW there were four

The 'must do' plan only included statutory investments, whereas the proposed plan also included a number of discretionary investments.

All respondents were provided with a pre-task brochure, either an online or paper version, and asked to complete some questions before their workshop/interview. The pre-task brochure was developed in line with guidance and provided contextual information and a summary of the proposed plan.

The workshops consisted of information sharing, polls and breakout discussions. A similar approach was taken for the one-to-one in-depth interviews. In the sessions respondents deliberated the two plans in detail, however, their final decisions around the affordability and acceptability of each plan and their overall preference between the two plans, was captured in a post task survey. The post task survey also provided respondents with the estimated impact of both plans on their individual water / water and wastewater bill.

All materials were piloted before use.

## Summary of results

This is a high-level summary of results only, the detailed evidence regarding each stage of the research with all customer types is shown in the results section of the full report. How the findings comply with Ofwat and CCW guidance is provided in the detailed index of evidence section of the whole report.

### Summary of thoughts on the ambition of the targets proposed within the performance commitments.

Internal sewer flooding and pollution of waters were seen as the most important performance commitments for NW respondents, whereas for ESW respondents (who were not asked about the commitments related to wastewater) taste, odour and appearance of tap water and reducing leaking were thought to be most important. For most of the performance commitments, the majority of respondents thought the level of ambition was just right, with agreement higher across the board for NW than ESW. The only customer type where a significant proportion (although not the majority) consistently voted to see a higher level of ambition in all performance commitments was ESW household.

Overall, pollution of water was the commitment respondents were less likely to feel was 'just right', with 54% believing this commitment was not ambitious enough. Reducing leakage also had a higher-than-average proportion of respondents who thought these performance commitments were not ambitious enough, with 39% of NW respondents and 33% of ESW respondents voting this way.

### Summary of thoughts of thoughts on the importance of each enhancement, the phasing options and service level choices of each.

#### **Metering, water efficiency and leakage.**

This was an important area of investment amongst both NW and ESW respondents, with particular reference to the importance of reducing leakage in ensuring there is a continuous supply of water for everybody. Many respondents opted for the medium phasing option as they felt that, whilst this was an important area of investment, there were others that were more important. Further, several felt that the need for water efficiency was less important in the NW region than in other parts of the country, as this is not a water stressed area. There was also a sense that the middle phasing option was

satisfactory because it would ensure that NW / ESW was compliant with Government targets. When thinking about which phasing option they preferred, bill affordability was important to these discussions across both regions, with respondents aware that phasing would influence the final bill prices.

### Storm overflows

Investing in storm overflows was felt to be of paramount importance by household respondents. Underpinning this was a sense of the environmental impact of minimising storm overflow spills. Further, some respondents noted their strong desire to ensure clean bathing waters in the region and avoid any potential public health impacts from pollution incidents caused by storm overflow spills. The importance placed on this investment by household respondents was mirrored in their decisions in phasing options, with the higher phasing option often preferred. Some noted the potential benefit to future generations of addressing the reduction in storm overflow use as quickly as possible. For this reason, they were willing to accept the bill impact associated with the higher investment option. For several, there was concern that the higher phasing option was not realistic and if targets were not met in the PR24 period, customers would be required to pay the required bill increases plus a further higher value for work not yet carried out. It is important to acknowledge that there was some challenge regarding how this investment should be funded. The high bill impact involved, and the statutory nature of the targets, led some to question the role of NWL and the Government in financing the work.

### Asset health

The maintenance of assets, and thus ensuring a reliable service, was seen as a fundamental responsibility of NW/ESW and therefore of high importance for respondents across both regions. It was suggested across both regions that the maintenance or replacement of infrastructure was something that made good business sense, and therefore this investment was likely to be something that appealed to the business sector. NW respondents also noted that the provision of a reliable water and wastewater service was something that would impact all customers, in comparison to others that would impact some customers more than others (for example, storm overflows). For a notable number of ESW respondents, this was an important investment as it offered the opportunity to build a reliable and robust water supply system for future generations. Despite the commonly held views that this was an area of high importance, there were mixed views regarding the phasing option that NW/ESW should take. Some noted that they were satisfied that the medium phasing option would enable their water company to meet statutory obligations and that anything above this was not necessary and would put further burden on people by increasing bills further. Others however noted the importance of the investment to water supply and the small price increase between the medium and high options. A further perceived advantage of the higher option, identified across both regions, was that by

maximising asset replacement and repair in the PR24 period, it would hopefully reduce costs in the long-term. It was also suggested that the higher option would be preferred as this would be of benefit for future generations, and it didn't seem to fair to leave a bigger bill for those future generations.

### Investment to tackle regional flooding

Respondents felt that the investment to tackle regional flooding was of high importance. For many, they were strongly in favour of the investments benefits of the partnership work within the NW Integrated Drainage Partnership. They also noted both the low bill impact associated with this investment and the relatively high impact of not addressing flooding. Others felt that the high importance of this investment was underpinned by the impact of climate change, with flooding likely to be an increasing problem in the near future. Many respondents opted for the medium phasing option, noting favourably the relatively low bill impact of this choice and the highly beneficial impact of the investment.

### Resilience to climate change adaptation

There was a lack of consensus amongst respondents within both regions regarding the perceived importance the enhancement concerning resilience to climate change adaptation. For some, they felt confident that insuring assets against the impacts of climate change was necessary and important. For others, the investment seemed less important than others as a consequence of uncertainty regarding the impact of climate change. Notably, there was some challenge amongst respondents to NW and ESW articulating this investment as a newly identified issue. Several felt that the potential impacts of climate change have been understood for a long time and, consequently, this issue should have been addressed earlier. A minority of respondents across both regions felt that the higher phasing option was necessary, as they felt that the impact of climate change was certain and that this option provided a greater sense of reassurance that assets would be protected. In contrast, a notable number felt that they would opt for the medium level of investment as they were confident in NW/ESW's statement that they didn't feel the higher level of investment was necessary yet.

### Water supply options

For water supply options, ESW respondents voiced concern that they live in water stressed areas and, therefore, felt this to be an important enhancement. However, there were mixed views about the phasing option that should be pursued. Reflecting the importance of the investment, respondents often felt the higher phasing option was preferable. However, some also opted for the medium phasing option. Importantly though, this option was often chosen with the caveat that they would have selected the higher option but felt prevented from doing so as a defined bill impact was not presented.

## Summary of thoughts on the impact of the customer / consumer / citizen persona on opinions.

There were mixed views across all customer types and enhancement discussions about whether viewing the enhancements as a customer, consumer or citizen would have an impact on opinions. Importantly, these viewpoints did not vary according to the enhancement under discussion.

Many felt they couldn't differentiate between the personas or that their views would not differ as they perceived themselves to be all three personas simultaneously. However, a common theme articulated throughout discussions was that viewing investments through the eyes of a citizen would mean they would push for a higher investment, whereas thinking as a consumer or customer forced them to be more aware of the cost implications.

## Summary of thoughts on the acceptability and affordability of the proposed and 'must do' business plans.

Within the post-task, when asked how easy or difficult it would be to afford their water (and wastewater) bills under the proposed plan, responses were fairly mixed between fairly easy, neither easy nor difficult and fairly difficult. Affordability for the 'must do' plan was slightly higher than the proposed plan. In discussions, respondents articulated concern over rising bills but acknowledged that investment by NW / ESW was necessary and important.

However, there was consistent challenge regarding who should be responsible for funding these investments. Customers were therefore looking for assurances in a number of ways:

That profits/shareholders were also used to fund investment (particularly in ESW who were concerned they already had one of the highest bills in the country)	Transparency in regards to progress and how money was being spent to achieve targets was important – customers wanted to know where their money is going and that wise investments are being made	That efficiency and innovation were considered first before increasing customer bills	Where commitments were not achieved, customers got their money back
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Within the post-task responses, the majority of respondents found the proposed plan to be acceptable, with 88% of NW and 80% of ESW respondents finding the plan acceptable. The 'must do' business plan



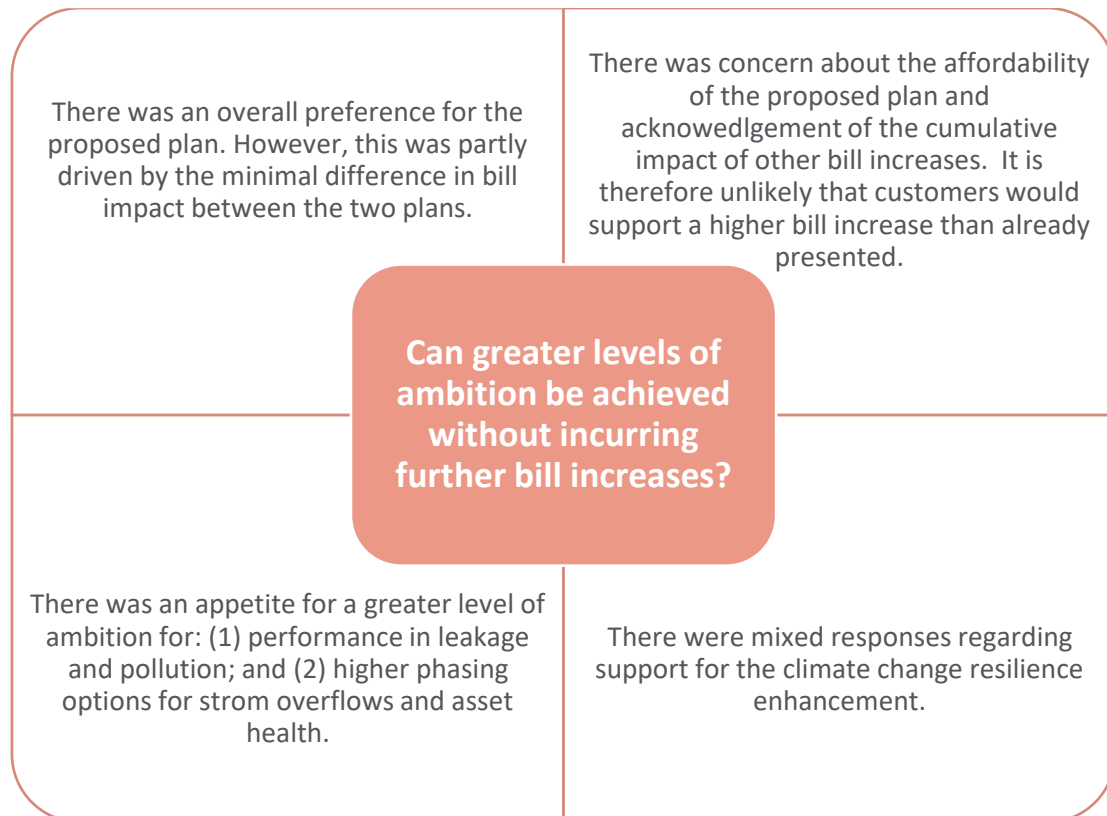
was slightly less acceptable than the proposed plan, with 82% of NW respondents and 79% of ESW respondents agreeing that it was acceptable.

The proposed business plan was the preferred option, with 92% of NW respondents and 78% of the ESW respondents choosing this option. This was mirrored within workshops and in-depth interviews, where there was consistent preference for the proposed plan. Underpinning this, respondents discussed feeling the additional discretionary enhancements were necessary. They also noted the small increases between the two plans, feeling that the proposed plan offered better value for money.

Finally, within the post-task, the majority of respondents said they would prefer an increase in bills starting sooner, spreading increases across different generations of bill-payers.

## How the preferred business plan can be made more acceptable to inform options for refinement.

The findings from this qualitative phase of AAT will be used to shape the plan that will be tested in the subsequent, quantitative research. In doing so, it will be important to consider the following key findings and how they lead to a critical question to be considered by NWL.



In addition, the business could consider the additional challenges from customers around funding the investment and transparency as detailed below.

<p>That profits/shareholders were also used to fund investment (particularly in ESW who were concerned they already had one of the highest bills in the country)</p>	<p>Transparency in regards to progress and how money was being spent to achieve targets was important – customers wanted to know where their money is going and that wise investments are being made</p>	<p>That efficiency and innovation were considered first before increasing customer bills</p>	<p>Where commitments were not achieved, customers got their money back</p>
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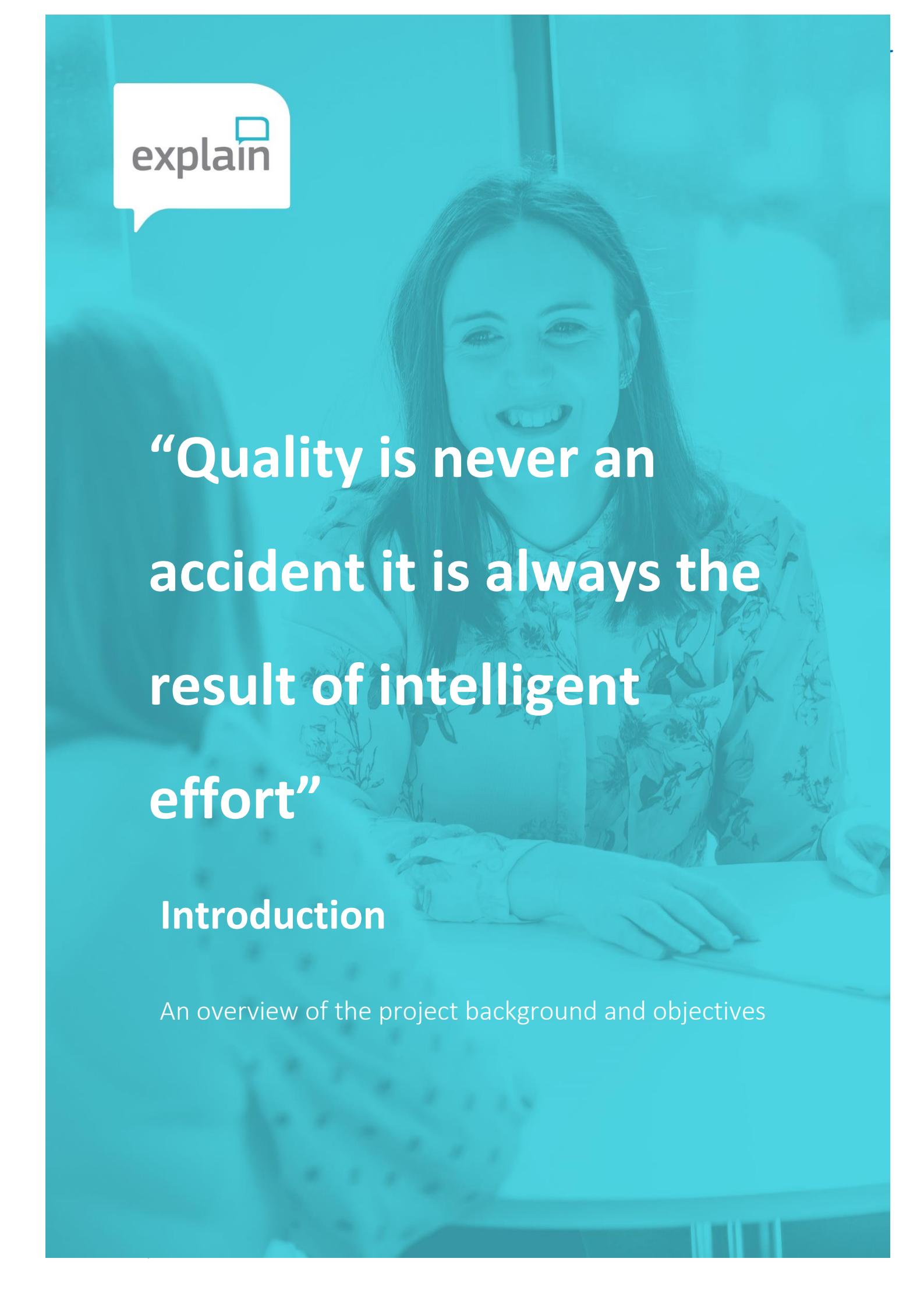
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explain

The background of the slide is a photograph of a woman with long dark hair, smiling warmly. She is wearing a light-colored blouse with a floral pattern. She is seated at a table, with her hands resting on it. The image is overlaid with a semi-transparent teal filter.

**“Quality is never an  
accident it is always the  
result of intelligent  
effort”**

## **Introduction**

An overview of the project background and objectives

# Introduction

## Background and context to Acceptability and Affordability Testing

Northumbrian Water Limited (NWL) serves 2.1 million households and businesses in two operating areas covered by Northumbrian Water (NW) and Essex & Suffolk Water (ESW). NW is a water and wastewater company while ESW is a water only company.

This Acceptability and Affordability Testing (AAT) was commissioned by NWL to cover both operating regions. For some aspects of the business plan being tested, differing approaches were taken in each operating region along with different bill profiles for each region. However, much of the plan relates to both NW and ESW and is shared with all participants.

To meet the prescribed approach outlined by Ofwat and CCW, NWL is required to deliver PR24 AAT research. This testing followed specific guidance developed by Ofwat and CCW to enable results to be compared across the industry. For consistency, this is referred to as the guidance in the report.

The guidance has been strictly adhered to except in circumstances where there was a strong degree of challenge from cognitive testing or the NWL Customer Engagement Panel (CEP) or where specific difficulties were encountered despite best endeavours to follow the guidance. These instances are highlighted in the relevant sections of this report.

The AAT consists of two stages, deliberative qualitative research and quantitative testing. This report delivers the results from the qualitative stage of the AAT. As part of this qualitative research, the following customer types were engaged with for both NW and ESW.

- Household customers (bill payers) across all demographics
- Household customers (future bill payers) aged 18 or over
- Non-household organisations (micro-organisations with less than ten employees)
- Non-household organisations (small to large organisations with 10 or more employees)
- Household customers with health vulnerabilities (mix of those registered on the Priority Services Register [PSR] or eligible for PSR)



## Objectives for each customer segment

The guidance outlined a different set of research objectives for the engagement that took place with each individual customer segment. These are outlined in the table overleaf.



Prescribed process for deliberative discussions for household customers	Prescribed process for deliberative discussions with non-household customers (<10 employees)	Prescribed process for in-depth interviews with non-household customers (≥10 employees)	Prescribed process for in-depth interviews with future billpayers	Prescribed process for in-depth interviews with vulnerable household customers (optional)
Appendix A of the guidance	Appendix B of the guidance	Appendix C of the guidance	Appendix D of the guidance	Appendix E of the guidance
<p>Explore responses to the information in the pre-task</p> <ul style="list-style-type: none"> <li>• What interested them most or surprised them?</li> <li>• Did they know much about this beforehand?</li> <li>• Did they have any questions?</li> </ul>	<p>Identify and explore responses to the information in the pre-task.</p> <ul style="list-style-type: none"> <li>• What interested them most or surprised them?</li> <li>• Did they know much about this beforehand?</li> <li>• Did they have any questions?</li> </ul>	<p>Identify and explore their response to the information in the pre-task.</p> <ul style="list-style-type: none"> <li>• What interested them most or surprised them?</li> <li>• Did they know much about this beforehand?</li> <li>• Did they have any questions?</li> </ul>	<p>Identify their baseline awareness of the water industry by exploring their response to the information in the pre-task.</p> <ul style="list-style-type: none"> <li>• What interested them most or surprised them?</li> <li>• Did they know much about this beforehand?</li> <li>• Did they have any questions?</li> <li>•</li> </ul>	<p>Identify and explore perceptions and experiences of additional services and/or social tariffs.</p>
<p>Identify high-level views on household finances.</p>	<p>Identify and explore the business needs within this group for water and wastewater services, where their service priorities lie and what their expectations are for services in the future. e.g., where they would like improvements.</p>	<p>With reference to the pre-task service priorities question they will have returned, confirm, and explore their business needs for water and wastewater services.</p>	<p>Identify their personal perspective as future customers - identify what they will want from a water company when the time comes that they are paying water bills.</p>	<p>Identify and explore views on business plan proposals for these services.</p> <ul style="list-style-type: none"> <li>• Do they go far enough or not, or are they just about right?</li> <li>• Why?</li> </ul>
<p>Identify views around business plan options from different perspectives - bill payers, future bill payers (if included), consumers and citizens on:</p> <ul style="list-style-type: none"> <li>• The water company's proposed business plan</li> <li>• Least cost (the 'must do') business plan</li> <li>• An optional alternative version of the business plan</li> </ul>	<p>Identify high-level views on business costs and trajectory of these.</p>	<p>Discuss and identify preferences around the engaging summary of the water company's proposed business plan, included in the pre-task</p>	<p>Identify their views on the summary version of the water company's proposed business plan included in the pre-task.</p>	<p>Identify whether, and if so, how these proposals could be improved (to inform potential options for refinement)</p>





Prescribed process for deliberative discussions for household customers	Prescribed process for deliberative discussions with non-household customers (<10 employees)	Prescribed process for in-depth interviews with non-household customers (≥10 employees)	Prescribed process for in-depth interviews with future billpayers	Prescribed process for in-depth interviews with vulnerable household customers (optional)
Appendix A of the guidance	Appendix B of the guidance	Appendix C of the guidance	Appendix D of the guidance	Appendix E of the guidance
Identify and understand views and preferences around: <ul style="list-style-type: none"> <li>Individual and bespoke PCs</li> <li>Enhancement options</li> <li>Phasing of enhancement options (service levels, bills and timing); and intergenerational fairness of phasing</li> </ul>	Identify views around different business plan options, from the perspective of their needs as businesses. <ul style="list-style-type: none"> <li>The water company's proposed business plan.</li> <li>Least cost 'must do' business plan.</li> <li>An optional alternative version.</li> </ul>	Identify preferences for phasing of enhancements from 2030-2050, considering how different options affect service levels, timing of service delivery and bill impacts.	Identify views on ways in which the delivery of services and enhancements could be phased to 2050, considering inter-generational fairness, and the effect on service levels and bills	Identify their views on the information in the pre-task. <ul style="list-style-type: none"> <li>What interested them most or surprised them?</li> <li>Did they know much about this beforehand?</li> </ul>
Identify preferences for: <ul style="list-style-type: none"> <li>The affordability of each plan and phasing options.</li> <li>Acceptability of each plan.</li> </ul>	Identify and understand views and preferences around: <ul style="list-style-type: none"> <li>Individual and bespoke PCs.</li> <li>Enhancement options</li> <li>Phasing of enhancement options (service levels, bills and timing).</li> </ul>	Repeat for the least cost business plan and as time allows, for an optional alternative plan.	If time allows, explore views on the least cost 'must do' plan and any alternative version.	Identify their response to the high-level version of the water company's proposed business plan.
Identify how to make the company preferred plan more acceptable to inform options for refinement.	Identify and explore views on: <ul style="list-style-type: none"> <li>The affordability of each plan and phasing options</li> <li>Acceptability of each plan</li> </ul>	Identify and explore the overall acceptability and affordability of each plan.	Identify what future bill-payers think about: <ul style="list-style-type: none"> <li>The kind of bill levels they may experience in the future based on water company projections and how bills might compare to charges for other services</li> <li>What would be fair?</li> <li>What would value for money look like?</li> <li>What would be acceptable?</li> </ul>	Identify which services are most important to them and why.



Prescribed process for deliberative discussions for household customers	Prescribed process for deliberative discussions with non-household customers (<10 employees)	Prescribed process for in-depth interviews with non-household customers (≥10 employees)	Prescribed process for in-depth interviews with future billpayers	Prescribed process for in-depth interviews with vulnerable household customers (optional)
Appendix A of the guidance	Appendix B of the guidance	Appendix C of the guidance	Appendix D of the guidance	Appendix E of the guidance
	Identify how to make the company preferred plan more acceptable / affordable to inform options for refinement.	Identify what would make the proposed business plan more acceptable.	Identify acceptability of the company proposed plan (and if time allows, the least cost 'must do' and any alternative version).	Identify response to different phasing, service delivery and longer-term options.
			Identify what would make the proposed business plan (more) acceptable to future billpayers.	Identify and explore affordability and acceptability of the proposed plan, and how it could be improved



The logo for 'explain' is located in the top left corner. It consists of the word 'explain' in a lowercase, sans-serif font, with a small icon of a speech bubble containing a document symbol to its right. The entire logo is contained within a white speech bubble shape with a tail pointing towards the top left.

explain

The background of the page is a photograph of a woman with long, wavy brown hair, smiling and looking towards the left. She is wearing a light-colored, long-sleeved shirt with dark horizontal stripes. The image is overlaid with a semi-transparent teal filter. The text is centered over the image.

**“The goal is to transform  
data into information,  
and information into  
insight”**

## **Methodology**

An in-depth explanation of the methodology employed and how this complied with the guidance.

# Methodology

## Summary of methodological compliance with the guidance

The methodology deployed was in line with the guidance. All qualitative fieldwork was deliberative, this approach is defined as research that *'brings people together and gives them the time, information and conditions needed to develop informed opinions in dialogue with each other'*<sup>1</sup>. This approach gave respondents the opportunity to understand complex information in an appropriate learning style, then separate into smaller segments to form opinions through consideration and discussion with each other.

A mix of household, non-household and future customers took part in this research.

Sessions took place both online and face-to-face to ensure that the views of digitally disengaged customers were also encapsulated within the research. This was also considered the most appropriate approach for the in-depth interviews with customers experiencing health vulnerabilities and for customers who spoke English as a second language (ESL) as it enabled the effective use of a translator when necessary.

The table overleaf summarises how engagement complied with the guidance in terms of the type and numbers of customers involved in the research, as well as the approach to the research.

Please note, interviews with household customers on low incomes were not conducted as their inclusion was optional and there were no significant changes proposed within business plans regarding financial support.

All feasible endeavours were made to achieve the inclusion of non-household customers with more than ten employees in the research. This included use of professional networks, multiple research panel providers and social media recruitment (LinkedIn). Despite this, numbers for these interviews have not met minimum requirements.

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<sup>1</sup> National Centre for Social Research. [www.natcen.ac.uk](http://www.natcen.ac.uk)



Customer segment	Approach		Time required		Minimum sample required: medium and larger WaSCs and WoCs	
	The guidance	Research approach	The guidance	Research approach	The guidance	Sample achieved
<b>Household customers (bill payers) across all demographics</b>	Deliberative discussion	Deliberative discussion, both online and in-person	3+ hours	2 x 2-hour discussions held online. 1 x 4-hour sessions held in-person	Range 48 to 72	NW=79 ESW=62
<b>Household customers (future bill payers) aged 18+</b>	Deliberative discussion or paired / triad interviews	Deliberative discussions online	3+ hours	2 x 2-hour discussions held online.	8	NW= 14 ESW=8
<b>Non-household organisations (micro with &lt;10 employees)</b>	Deliberative discussion	Deliberative discussions online	3 hours	A combination of 2 x 2-hour sessions and 1 x 3-hour sessions	16	NW= 20 ESW=20
<b>Non-household organisations (small to large with 10 or more employees)</b>	In-depth interviews (sole / paired or triad)	Sole in-depth interviews	1 hour	1 hour	8	NW= 4 ESW=1
<b><u>Optional:</u> Household customers on low incomes – a mix of those either on a social tariff or eligible for a social tariff</b>	In-depth interviews or paired in-depth interviews or triad in-depth interviews (which can be assisted)	Sole in-depth interviews	1 hour	n/a	8	n/a
<b><u>Optional:</u> Household customers with health vulnerabilities – a mix of those already on, or eligible for Priority Services Register</b>	In-depth interviews or paired in-depth interviews (which can be assisted)	Sole in-depth interviews	1 hour	1 hour	8	NW=8 ESW=8



## Hybrid approach to recruitment to ensure sample sources and sizes were achieved

To ensure that respondents were representative of the customer populations as a whole, quotas were set by Acorn group. It was also ensured that 25% of customers engaged with as part of this research were classified as vulnerable. For the purposes of this research, vulnerability was defined as customers who were already on the Priority Services Register (PSR) or who would be eligible for the PSR. This includes those with financial and non-financial vulnerabilities.

All recruitment was designed to be compliant with the guidance, using a combination of customer lists and other methods as required to top up and meet quotas.

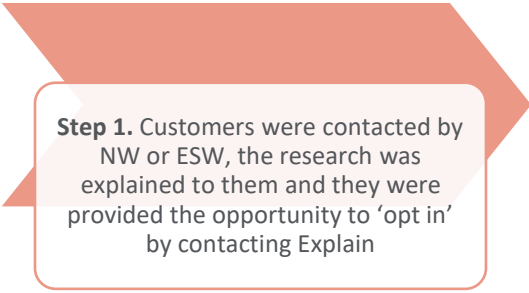
Customer Segment	Recruitment Strategy
Household customers (bill-payers) – across all demographics	<ol style="list-style-type: none"> <li>1. Customer lists (NW / ESW)</li> <li>2. Use of existing People Panels</li> <li>3. Knowledge of local community groups (ESL group)</li> <li>4. Face-to-face recruitment</li> </ol>
Household customers (future billpayers – aged 18+	<ol style="list-style-type: none"> <li>1. Research Panel providers (NW / ESW)</li> <li>2. Use of existing People Panel (NW only)</li> </ol>
Non-household (micro-organisations with less than 10 employees)	<ol style="list-style-type: none"> <li>1. Research Panel providers (NW / ESW)</li> <li>2. Existing professional networks (NW / ESW)</li> <li>3. Social media recruitment via LinkedIn (NW / ESW)</li> </ol>
Non-household (small to large organisations with 10 or more employees)	<ol style="list-style-type: none"> <li>1. Research Panel providers (NW / ESW)</li> <li>2. Existing professional networks (NW / ESW)</li> <li>3. Social media recruitment via LinkedIn (NW / ESW)</li> </ol>
<u>Optional:</u> Household customers with health vulnerabilities – a mix of those already on, or eligible for Priority Services Register	Customer lists (NW / ESW)

People Panels are existing NW / ESW customer panels, who have met online on a regular basis (approximately once a month) since March 2022.

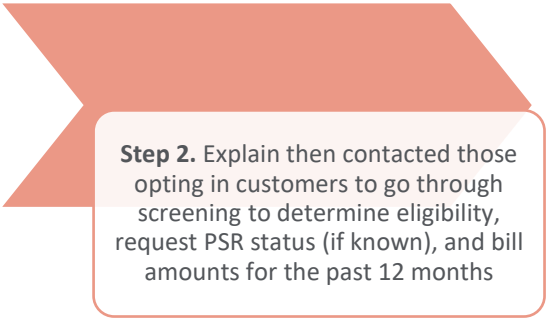
To include customers where English was their second language (ESL), contacts within local community segments were used to recruit customers whose first language was Ukrainian. Please note, these sessions were conducted in conjunction with a translator to ensure that respondents were fully informed and felt comfortable expressing their thoughts and opinions.



Recruitment from customer lists was also compliant with the guidance, following the process outlined below. Other recruitment methods were deployed for household customers when target numbers or profiles were not achieved.



**Step 1.** Customers were contacted by NW or ESW, the research was explained to them and they were provided the opportunity to 'opt in' by contacting Explain



**Step 2.** Explain then contacted those opting in customers to go through screening to determine eligibility, request PSR status (if known), and bill amounts for the past 12 months



## The development of research materials

The research materials fall into four groups: (1) pre-task materials; (2) workshop content; (3) In-depth interview content; and (4) post-task materials. All materials were piloted before full use.

Initially this involved ten cognitive interviews, five conducted face-to-face and five on Teams. The pre-task, workshop content (slide deck) and post-task materials were all considered in detail to identify any issues with comprehension. Materials were refined in line with feedback. Following this the materials were refined further through two rounds of pilot workshops. Each round of the pilot workshops involved a small segment of customers convening on two occasions, for two hours per occasion, to go through the materials in detail. This iterative piloting process enabled a high degree of confidence with the materials prior to the commencement of full fieldwork.

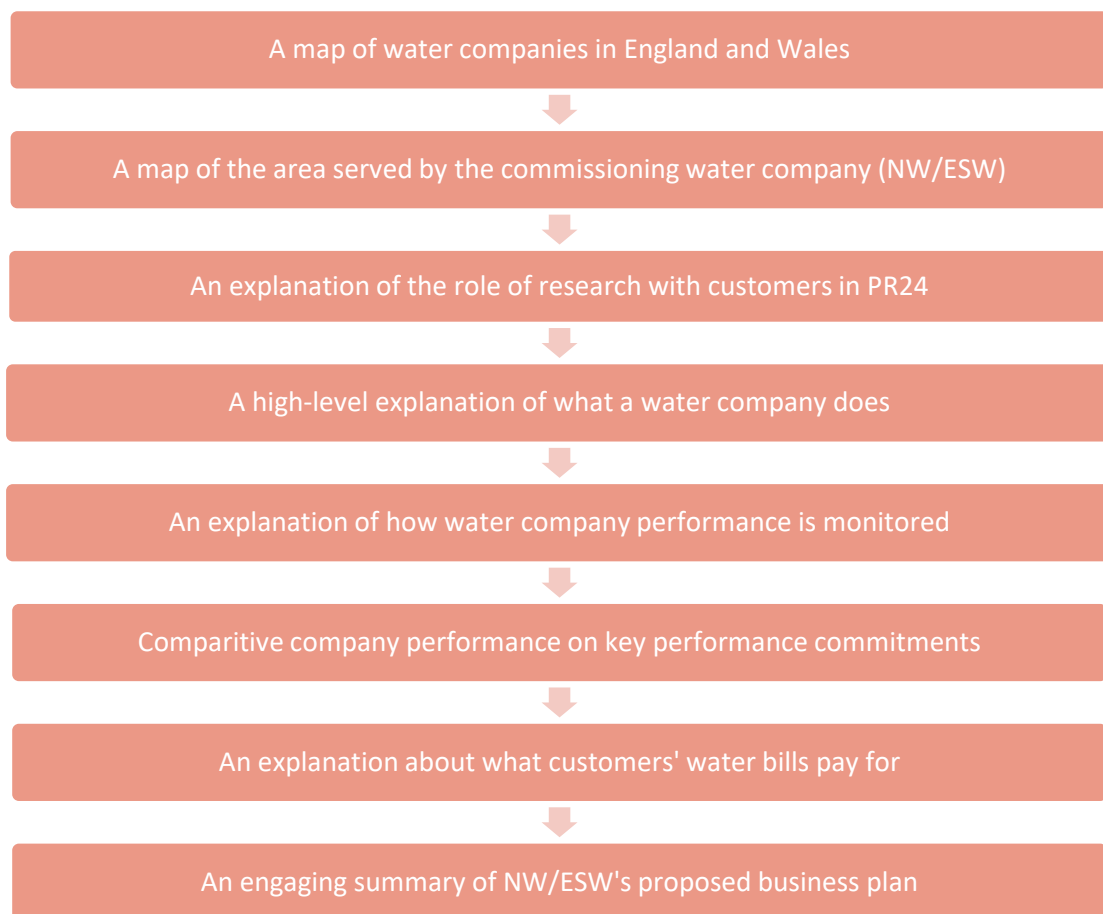
Each of the four elements of the materials, and the piloting process, will now be considered in more detail.





## The development of pre-task materials for each customer segment

All respondents were given a pre-task to complete ahead of their session. This included a brochure outlining NW / ESW's role and their proposed business plan. The over-arching structure of the pre-task brochures is summarised below. A copy of the brochures can be found in appendices one to four. Content complied with the guidance as described in Appendix A of the guidance<sup>2</sup>.



<sup>2</sup> Guidance for water companies: testing customers' views of the acceptability and affordability of PR24 business plans. Version 1.1. [Guidance-Acceptability-and-affordability-of-PR24-business-plans \(1\).pdf](#)



These brochures were provided in paper format for those taking part in face-to-face research, whereas online respondents were provided with a link to access this information online, which included videos demonstrating some of the information provided. Video content is summarised in the table below, numbering indicates the order in which they were shown. The full video scripts can be found in appendices 22 and 23.

Video	Content summary
1	Background to the water industry, including specific information regarding NW / ESW.
2	Information about the business planning process.
3	More detail about the services that NW / ESW provides.
4	How the performance of water and wastewater companies is monitored. The overall comparative performance of NW / ESW, in terms of overall rewards and penalties and associated bill impact. Specific comparative performance of NW / ESW for each performance commitment to be discussed.

Having read/ watched the information provided, respondents were asked to answer several questions. Questions varied depending on customer type (household / non-household / future), these questions can be found in appendices five to ten.

## The development of workshop materials

Each customer group that was engaged online participated in two different sessions, each lasting two hours and held a week apart. A slide deck was developed for each session. The full slide deck for each session can be viewed in appendices 11 to 14. The content contained details on the proposed plan (including performance commitments and selected bill enhancements), an explanation of the bill impact of the proposed plan and an explanation of how the ‘must do’ plan differed to the proposed plan.

All content was compliant with the guidance, with the exception of the comparative performance information for the three water and three wastewater common performance commitments. In the ‘Guidance for water companies: principles for setting out comparative company performance data’ it is prescribed that this information is presented in a graph with an accompanying table. During piloting of this material, it was found that customers found the presentation of the graph and table side by side confusing. In particular, they reported difficulty in interpreting the data within the tables. Consequently, with the support of the CEP, a decision was made to show the graphs only within the final materials.



An outline of the content of each session is shown below.

Session 1	Session 2
<ul style="list-style-type: none"> <li>→ Reactions to pre-task information and re-cap of NW / ESW's role and responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>→ Explanation of each enhancement. Discussion of relative importance and perceptions of the related bill impact</li> </ul>
<ul style="list-style-type: none"> <li>→ Further context and background to the bill planning process</li> </ul>	<ul style="list-style-type: none"> <li>→ Explanation of the proposed plan versus the 'must do' plan, with associated bill impacts of each outlined</li> </ul>
<ul style="list-style-type: none"> <li>→ Explanation of the performance commitments, and subsequent vote concerning level of ambition that they wished NW / ESW to work towards</li> </ul>	<ul style="list-style-type: none"> <li>→ Discussion on the affordability and acceptability of each plan.</li> </ul>
<ul style="list-style-type: none"> <li>→ Explanation of the Long-Term Delivery Strategy</li> </ul>	

Performance commitments were explained to respondents in terms of how targets would be met (including benefits to customers), how the necessary financial investment would be sought, historical and comparative performance data for the performance commitment, along with projected performance over the PR24 period. They were then asked to vote in polls to determine whether they thought the level of ambition shown was appropriate, and whether they thought it important that NW / ESW became an industry leader in that area. Respondents were also placed into breakout rooms to discuss the goals outlined within the explanation of the Long-Term Delivery Strategy.

Please note, that the enhancement cases discussed in session two were selected by NWL as those that had the biggest impact upon bill changes and/or where there is flexibility in the timescales of delivery, i.e., investment can be phased over the 2030 to 2050 time period.

Enhancements were explained with a summary of what the enhancement meant, the potential benefits to customers of undertaking the work, an explanation of why the work is not currently being undertaken and details of the associated estimated bill impact. Respondents were then presented with two or three options for each enhancement, relating to the phasing of the work. Broadly, the low investment option was described as not undertaking any work within the PR24 period and thus not incurring any bill increases. The medium phasing option was described as being the work necessary to meet targets and the high phasing option was necessary if targets were to be exceeded. Associated bill impacts were given for each phasing option.



For each enhancement, all respondents were then asked to discuss the following points:

- Response to targets: do they go far enough / too far / just right?
- Response to proposals for how targets are met – how far do the approaches reflect how people would like companies to go about this?
- Response to proposed bill change
- Explore preferred phasing options and service level choices, in the context of how these affect proposed bills, how different phasing affects service delivery and intergenerational fairness.
- Consider whether/how different perspectives (customer/bill-payer, consumer/user, citizen and society) affect their initial response to longer term plans and why.
- Explore views on acceptability and affordability.

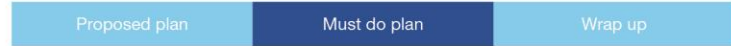
Session two concluded with a discussion of the proposed plan and the 'must do' plan within breakout rooms. In piloting it was identified as most effective to consider both plans side by side rather than individually as respondents naturally made comparisons in their answers. Discussions here focussed on:

- Explore views on acceptability and affordability

A summary of how the two plans were presented to customers to aid this final discussion is shown overleaf. First is the Northumbrian Water version, followed by the Essex & Suffolk Water version.



## A reminder of the must do plan and the proposed plan



### Must do plan

	Is this investment statutory?	Additional cost for customers
Metering, water efficiency and leakage	✓	£15.83
Storm overflows	✓	£20.92
Improvements to asset health	✓	£6.24
Investment in regional flooding	✗	<del>£2.28</del>
Resilience – climate change adaptation	✗	<del>£5.63</del>
Storm overflows	✗	<del>£12.41</del>

$$\begin{array}{|c|} \hline \text{Current average bill} \\ \hline \text{£362.00} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Must do investments} \\ \hline \text{£85.36} \\ \hline \end{array}
 =
 \begin{array}{|c|} \hline \text{Average bill in 2030 excluding inflation} \\ \hline \text{£447.36} \\ \hline \end{array}$$

### Proposed plan

	Is this investment statutory?	Additional cost for customers
Metering, water efficiency and leakage	✓	£15.83
Storm overflows	✓	£20.92
Improvements to asset health	✓	£6.24
Investment in regional flooding	✗	£2.28
Resilience – climate change adaptation	✗	£5.63
Storm overflows	✗	£12.41

$$\begin{array}{|c|} \hline \text{Current average bill} \\ \hline \text{£362.00} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Must do investments} \\ \hline \text{£85.36} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Proposed additional investments} \\ \hline \text{£22.92} \\ \hline \end{array}
 =
 \begin{array}{|c|} \hline \text{Average bill in 2030 excluding inflation} \\ \hline \text{£470.28} \\ \hline \end{array}$$



## A reminder of the must do plan and the proposed plan



### Must do plan

	Is this investment statutory?	Additional cost for customers
Metering, water efficiency and leakage	✓	£19.44
Securing water supplies	✓	£22.26
Improvements to asset health	✓	£5.48
Resilience – climate change adaptation	✗	<del>£4.59</del>

$$\begin{array}{|c|} \hline \text{Current average bill} \\ \hline \text{£245.00} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Must do investments} \\ \hline \text{£51.99} \\ \hline \end{array}
 =
 \begin{array}{|c|} \hline \text{Average bill in 2030 excluding inflation} \\ \hline \text{£296.99} \\ \hline \end{array}$$

### Proposed plan

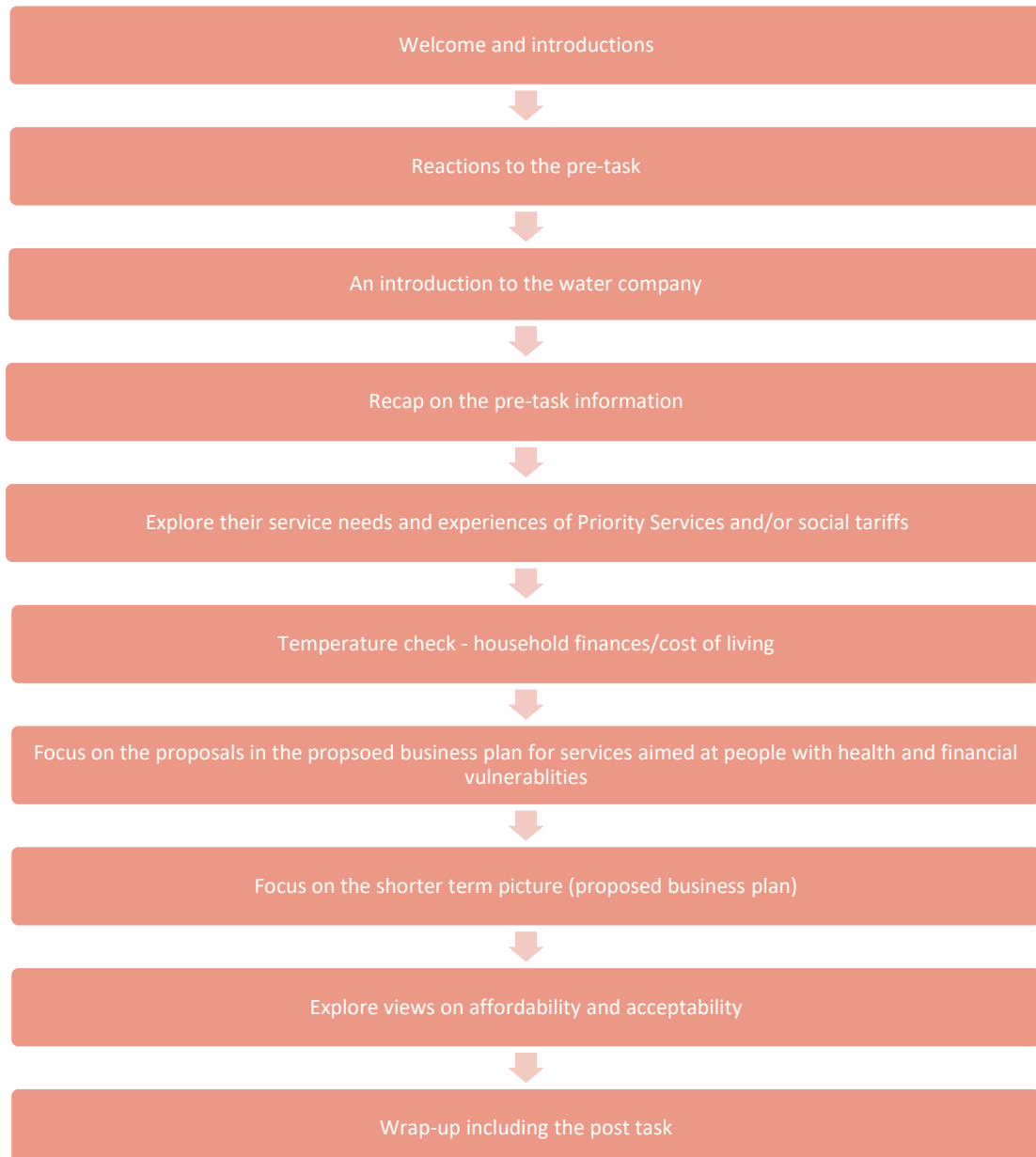
	Is this investment statutory?	Additional cost for customers
Metering, water efficiency and leakage	✓	£19.44
Securing water supplies	✓	£22.26
Improvements to asset health	✓	£5.48
Resilience – climate change adaptation	✗	£4.59

$$\begin{array}{|c|} \hline \text{Current average bill} \\ \hline \text{£245.00} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Must do investments} \\ \hline \text{£51.99} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Proposed additional investments} \\ \hline \text{£5.78} \\ \hline \end{array}
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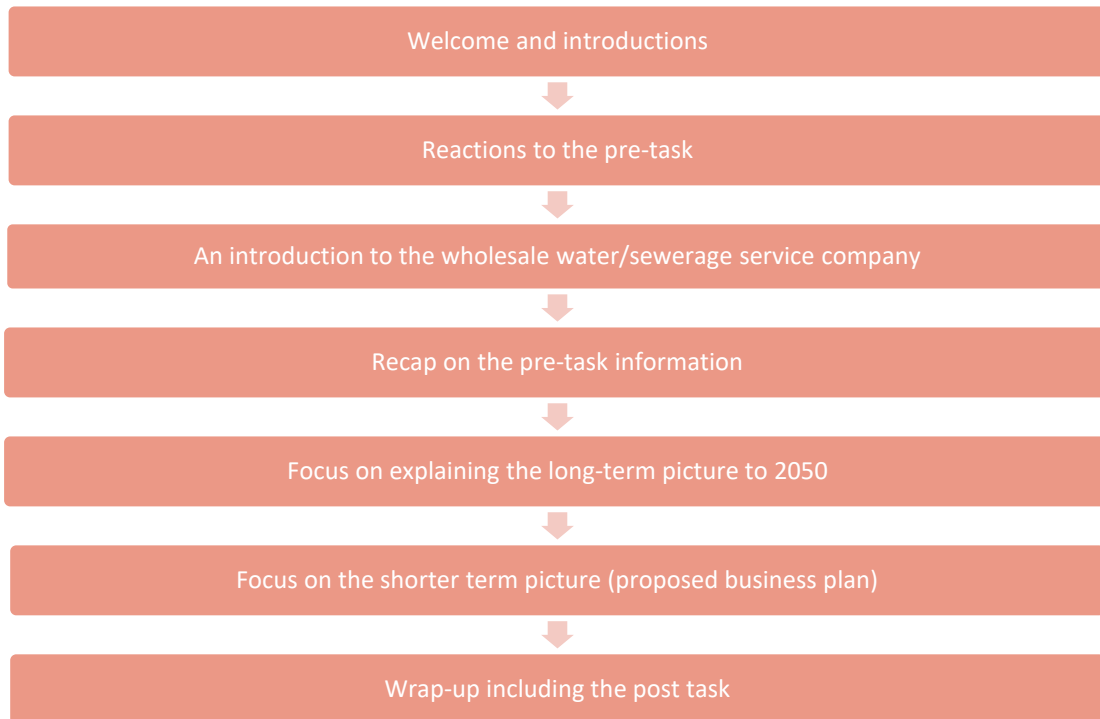
## The development of in-depth interview materials for household customers with health vulnerabilities

Discussion guides were developed for in-depth interviews with household customers with health vulnerabilities to ensure compliance with the guidance. Discussion guides are shown in full in appendices 15 to 18 and their content is summarised below.



## The development of in-depth interview materials for non-household customers with ten or more employees

Discussion guides were developed for in-depth interviews with non-household customers with ten or more employees to ensure compliance with the guidance. Discussion guides are shown in full in appendices 15 to 18 and their content is summarised below.





## Development of post-task materials for all customer segments

All respondents were asked to take part in an online survey following their sessions. Within this survey they were shown the projected impact of the business plans upon their individual water / water and wastewater bill. They were then asked a series of questions about the affordability and acceptability of the 'must do' and proposed plans. Questions differed depending on respondent type.

Future customers were not provided with a projected bill in the post-task and were asked questions about the acceptability of the plan only. Vulnerable respondents completed the post-task survey on an iPad with the interviewer present to assist with any technical difficulties. Copies of the surveys can be found in appendices 19 to 21. The questions from each post-task are shown below.

Household customers (bill-payers) – across all demographics
<p><b>'Must do' plan</b></p> <p>Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? [Personalised bill impact graph on screen]</p> <p>Based on everything you have heard and read about NW/ESW's 'must do' business plan, how acceptable or unacceptable is it to you?</p> <p>Why do you say that?</p> <p><b>Proposed plan</b></p> <p>Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? [Personalised bill impact graph on screen]</p> <p>Based on everything you have heard and read about NW/ESW's proposed business plan, how acceptable or unacceptable is it to you?</p> <p>Why do you say that?</p> <p><b>Overall</b></p> <p>Of the business plans you have seen today, which one do you prefer overall?</p> <p>Why do you say that?</p> <p>Long-term investment by NW/ESW will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long-term for future generations. Which one of the following options would you prefer?</p> <ul style="list-style-type: none"><li>• An increase in bills starting sooner, spreading increases across different generations of bill-payers</li><li>• An increase in bills starting later, putting more of the increases onto younger and future bill-payers</li><li>• I don't know enough at the moment to give an answer</li></ul> <p>To what extent, if at all, do you trust NW/ESW to deliver their proposed plan by 2030?</p>



Why do you say that? How easy, or otherwise, was it for you to decide which plan you preferred?
<b>Household customers (future bill payers – aged 18+)</b>
<b>‘Must do’ plan</b> Based on everything you have heard and read about NW/ESW’s ‘must do’ business plan, how acceptable or unacceptable is it to you? Why do you say that?
<b>Proposed plan</b> Based on everything you have heard and read about NW/ESW’s proposed business plan, how acceptable or unacceptable is it to you? Why do you say that?
<b>Overall</b> Of the business plans you have seen today, which one do you prefer overall? Why do you say that? Long-term investment by NW/ESW will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long-term for future generations. Which one of the following options would you prefer? <ul style="list-style-type: none"><li>• An increase in bills starting sooner, spreading increases across different generations of bill-payers</li><li>• An increase in bills starting later, putting more of the increases onto younger and future bill-payers</li><li>• I don’t know enough at the moment to give an answer</li></ul>
How easy, or otherwise, was it for you to decide which plan you preferred?
<b>Non-household (micro-organisations with less than 10 employees) and Non-household (small to large organisations with 10 or more employees)</b>
<b>‘Must do’ plan</b> Thinking about how your organisation's income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? [Personalised bill impact graph on screen] Based on everything you have heard and read about the NW/ESW’s ‘must do’ business plan, how acceptable or unacceptable is it to you? Why do you say that?
<b>Proposed plan</b> Thinking about how your organisation's income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? [Personalised bill impact graph on screen] Based on everything you have heard and read about the NW/ESW’s proposed business plan, how acceptable or unacceptable is it to you? Why do you say that?



**Overall**

Of the business plans you have seen today, which one do you prefer overall?

Why do you say that?

Long-term investment by NW/ESW will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long-term for future generations. Which one of the following options would you prefer?

- An increase in bills starting sooner, spreading increases across different generations of bill-payers
- An increase in bills starting later, putting more of the increases onto younger and future bill-payers
- I don't know enough at the moment to give an answer

To what extent, if at all, do you trust NW/ESW to deliver their proposed plan by 2030?

Why do you say that?

How easy, or otherwise, was it for you to decide which plan you preferred?

**Household customers with health vulnerabilities – a mix of those already on, or eligible for Priority Services Register**

**Proposed plan**

Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? [Personalised bill impact graph on screen]

Thinking about the company's proposals Thinking about Northumbrian Water's proposals for vulnerable services how acceptable or unacceptable are these to you?

Based on everything you have heard and read about NW/ESW's proposed business plan, how acceptable or unacceptable is it to you?

Why do you say that?

To what extent, if at all, do you trust NW/ESW to deliver their proposed plan by 2030?

Why do you say that?

How easy, or otherwise, was it for you to decide which plan you preferred?



## Piloting of workshop and interview materials

All workshop materials were piloted before implementation, through a series of online workshops and cognitive interviews (a mix of online and face-to-face). The piloting process took place in two distinct phases. This iterative piloting process enabled a high degree of confidence with the materials prior to the commencement of full fieldwork.

The first stage involved cognitive testing of workshops materials, including the pre- and post-task content. Cognitive interviews were conducted to enable an in-depth understanding of customers' comprehension of the materials. They were conducted both online and face-to-face to ensure that respondents felt comfortable and were able to assess materials / answer questions in both settings. An online workshop with a small number of customers was also conducted within the cognitive interview stage, aiming to assess respondents' ability to interact with the materials in a group setting and, pragmatically, that timings of the workshops worked well. This pilot involved customers convening on two occasions, for two hours per occasion.

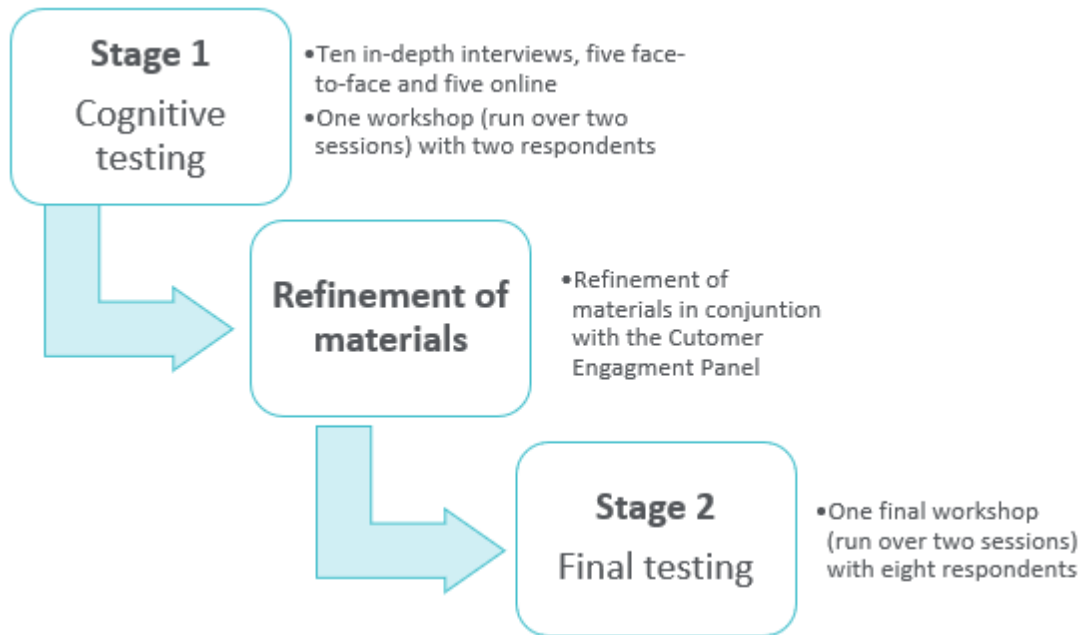
Following this cognitive testing stage, materials were refined. It was at this stage that the decision was made to show only the graphs for the information relating to performance commitments.

A final stage of piloting was then conducted, involving a 'test run' of the workshop, ensuring that the sessions worked well for respondents and that the refined materials were easily understood. There were eight attendees at this final testing stage. As with the first pilot workshop, this stage involved customers convening on two occasions, for two hours per occasion.

To ensure that respondents taking part within cognitive interviews felt comfortable, members of the CEP did not attend any workshop pilots or cognitive interviews. However, they were fully consulted with regards to any changes to materials.



This process is summarised below.



## Quality assurance – briefing and running the deliberative discussions

All deliberative workshops and in-depth interviews were moderated by trained facilitators from Explain. Thorough briefing was provided to all, including the wider context of AAT and the information already presented to respondents within the pre-task materials.

All workshop sessions were observed by members of the CEP. They did not observe in-depth interviews because it was felt that would be intrusive.

NWL representatives observed, and were available to answer questions, at all workshops. In line with the guidance, they only answered specific questions when the Explain moderator felt it was necessary and invited them to do so. NWL representatives included members of the Board, the Executive Leadership Team and leaders involved in developing the business plan.



## Notes on analysis

As the pre-tasks differed for different respondent groups (household, non-household, future and vulnerable) the results are shown separately. Any partial completes were removed from the analysis.

For the qualitative analysis, results from all workshops and interviews with household, future and non-household customers have been combined and analysed together. Interviews with vulnerable customers have been analysed separately as these discussions were considerably different.

For the remaining post-task and poll analysis, results have been split into household, non-household, and future customers, with responses from the differing methodologies combined. Here, vulnerable interviews have been combined with the other household results. Overall results for NW and ESW are also shown.

Please note, for ease of reading analysis has been organised according to the stage of research (pre-task, workshop / in-depth discussions and post-task findings). However, in line with the guidance, the following requirements have been considered throughout all aspects of the AAT research including the thematic analysis.

- What participants most support about each version of the plan they saw
- What they most dislike about each version of the plan they saw
- What the optimal version of the plan would be
- Differences in views between people taking the perspectives of bill payers, consumers and citizens and identify what the preferred plan would be from each perspective
- Differences in views across non-households where there are themes which are consistent as a qualitative scale
- Views on phasing and intergenerational fairness across different segments
- How each plan was viewed in terms of the effect on affordability
- Any clear themes by segments where these are consistent at a qualitative scale 25
- Acceptability of each version of the plan





**“The best vision is  
insight”**

## **Respondent profile**

An overview of the profile of respondents who participated in the research.

The table below outlines the number of respondents engaged with for each customer group.

	Customer deliberative workshops			Health vulnerabilities in-depths	Future customers	Non-household deliberative workshop (<10 employees)	Non-household in-depths (≥ 10 or more employees)
Method	Face-to-face	Online	Face-to-face ESL community group	Face-to-face (in home or community location)	Online	Online	Online
Groups	3 x NW 1 x Essex 1 x Suffolk	3 x NW, 1 x NW Peoples Panel 1 x Essex, 1 x Essex Peoples Panel 1 x Suffolk, 1 x Suffolk Peoples Panel	1 x NW	8 x NW 8 x ESW	1 x NW Futures Peoples Panel 1x ESW	2 x NW 2 x ESW	4 x NW 1 x ESW
Locations	Hexham, Hetton-le-Hole, Eston, Beccles, Dagenham	Spread across the regions	Ukraine group Hexham	Spread across the regions	Spread across the regions	Spread across the regions	Spread across the regions
Duration	4 hours with lunch	Single 2-hour session for Peoples Panel. 2 x 2-hour sessions for all other groups.	2-hour session with translator	1 hour	Single 2-hour session for Peoples Panel. 2 x 2-hour sessions for ESW	2 x 2-hour sessions OR 1 x 3-hour session	1 hour
Incentives	£100	£50 session 1 (£75 for Peoples Panel). £75 session 2 and post-task (all groups)	£75 plus incentive for translator	£50	£75	£75 session 1 £75 session 2 and post-task	£100
Total numbers	<b>36</b> <b>(23 NW, 13 ESW)</b>	<b>98</b> <b>(49 NW, 49 ESW)</b>	<b>7</b> <b>(7 NW)</b>	<b>16</b> <b>(8 NW, 8 ESW)</b>	<b>22</b> <b>(14 NW, 8 ESW)</b>	<b>41</b> <b>(20 NW, 21 ESW)</b>	<b>5</b> <b>(4 NW, 1 ESW)</b>





The table below (and continued overleaf) shows in more detail the profile of respondents within each customer type involved in the research.

	Customer deliberative workshops				Health vulnerabilities in-depths	Future customers	Non-household deliberative workshop (<10 employees)	Non-household in-depths (≥ 10 or more employees)
Age Range	<b>ESW online:</b> 4 x 25-34, 6 x 35-44, 4 x 45-54, 7 x 55-64, 5 x 65-74, 1 x 75+. <b>Essex PP:</b> 3 x 18-29, 3 x 30-44, 5 x 45-64, 1 x 65+, 1 x Unknown <b>Suffolk PP:</b> 2 x 18-29, 3 x 30-44, 4 x 45-64, 3 x 65+	<b>NW online:</b> 2 x unknown, 6 x 25-34, 7 x 35-44, 9 x 45-54, 9 x 55-64, 4 x 65-74 <b>North PP:</b> 3 x 18-29, 1 x 30-44, 4 x 45-64, 4 x 65+.	<b>ESW F2F:</b> 1 x 35-44, 1 x 45-54, 4 x 55-64, 5 x 65-74, 5 x 75+ <b>NW F2F:</b> 6 x 55-64, 11 x 65-74, 7 x 75+, 4 x Unknown	<b>NW ESL:</b> 1 x 18-24, 1 x 45-54, 7 x Unknown	<b>ESW VUL:</b> 2 x 35-44, 1 x 45-54, 1 x 55-64, 4 x 75+ <b>NW VUL:</b> 1 x 18-24, 4 x 65-74, 4 x 75+	<b>ESW Future:</b> 8 x 18-24 <b>NW Future:</b> 14 x 18-24, 1 x PNTS	<b>ESW SME:</b> 5 x 25-34, 9 x 35-44, 5 x 45-54, 1 x 55-64, 1 x 65-74 <b>NW SME:</b> 1 x 18-24, 4 x 25-34, 7 x 35-44, 5 x 45-54, 1 x 55-64, 1 x 65-74, 1 x Unknown	<b>ESW NHH:</b> 1 x 45-54 <b>NW NHH:</b> 2 x 25-34, 1 x 45-54, 1 x Unknown
Ethnicity	<b>ESW online:</b> 6 x Unknown, 15 x White British, 1 x Latin American, 1 x British Bangladeshi, 1 x Asian Pakistani, 1 x British Asian, 1 x White Irish, 1 x White <b>Essex PP:</b> 13 x Unknown <b>Suffolk PP:</b> 12 x Unknown	<b>NW online:</b> 21 x White British, 2 x British, 8 x unknown, 3 x White, 2 x African, 1 x White American <b>North PP:</b> 12 x Unknown	N/A	NW ESL: N/A	N/A	N/A	N/A	N/A
SEG	<b>ESW online:</b> 18 x C1, 1 x C2, 5 x B, 2 x D, 1 x Unknown <b>Essex PP:</b> 5 x C1, 2 x C2, 4 x B, 1 x D, 1 x Unknown <b>Suffolk PP:</b> 6 x C1, 1 x C2, 3 x B, 1 x D, 1 x E	<b>NW online:</b> 17 x C1, 3 x C2, 10 x B, 1 x A, 4 x D, 2 x Unknown <b>North PP:</b> 3 x A, 2 x B, 6 x C1, 1 x D	<b>ESW F2F:</b> 5 x C1, 1 x C2, 1 x B, 2 x D, 5 x E, 2 x Unknown <b>NW F2F:</b> 7 x C1, 6 x C2, 2 x B, 5 x D, 2 x E, 6 x Unknown	NW ESL: N/A	<b>ESW VUL:</b> 1 x C2, 3 x D, 2 x E, 1 x B, 1 x Unknown <b>NW VUL:</b> 3 x C1, 2 x C2, 2 x D, 1 x E, 1 x Unknown	<b>ESW Future:</b> 2 x C1, 3 x C2, 1 x E, 2 x Unknown <b>NW Future:</b> 4 x C1, 1 x C2, 2 x D, 1 x E, 8 x Unknown	<b>ESW SME:</b> 6 x B, 7 x A, 2 x C1, 6 x C2 <b>NW SME:</b> 9 x C2, 3 x C1, 4 x B, 3 x A, 1 x D	<b>ESW NHH:</b> 1 x A <b>NW NHH:</b> 2 x C1, 1 x B, 1 x Unknown



	Customer deliberative workshops				Health vulnerabilities in-depths	Future customers	Non-household deliberative workshop (<10 employees)	Non-household in-depths (≥ 10 or more employees)
<b>Gender</b>	<b>ESW online:</b> 15 x Female, 12 x Male <b>Essex PP:</b> 9 x Female, 4 x Male <b>Suffolk PP:</b> 7 x Female, 5 x Male	<b>NW online:</b> 20 x Female, 17 x Male <b>North PP:</b> 6 x Male, 6 x Female	<b>ESW F2F:</b> 8 x Female, 8 x Male <b>NW F2F:</b> 11 x Female, 16 x Male, 1 x Unknown	<b>NW ESL:</b> 7 x Female, 2 x Male	<b>ESW VUL:</b> 3 x Female, 5 x Male <b>NW VUL:</b> 2 x Female, 7 x Male	<b>ESW Future:</b> 5 x Female, 3 x Male <b>NW Future:</b> 8 x Female, 6 x Male	<b>ESW SME:</b> 5 x Female, 16 x Male <b>NW SME:</b> 11 x Female, 8 x Male, 1 x Unknown	<b>ESW NHH:</b> 1 x Female <b>NW NHH:</b> 2 x Female, 2 x Male
<b>Acorn</b>	<b>ESW online:</b> 7 x Affluent achievers, 1 x Rising prosperity, 7 x Comfortable communities, 9 x Financially Stretched, 2 x Urban adversity, 1 x Not private households <b>Essex PP:</b> 13 x Unknown <b>Suffolk PP:</b> 12 x Unknown	<b>NW online:</b> 9 x Affluent achievers, 9 x Comfortable communities, 13 x Financially stretched, 2 x Rising prosperity, 4 x Urban adversity <b>North PP:</b> 12 x Unknown	N/A	<b>NW ESL:</b> N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>27 ESW online, 25 PP</b>	<b>37 NW online, 12 PP</b>	<b>16 (ESW) 28 (NW)</b>	<b>9 (NW ESL)</b>	<b>17 (9 NW, 8 ESW)</b>	<b>22 (14 NW, 8 ESW)</b>	<b>41 (20 NW, 21 ESW)</b>	<b>5 (4 NW, 1 ESW)</b>





**explain**

**“The goal is to transform  
data into information,  
and information into  
insight”**

## **Results**

An in-depth review of the findings of the research programme.

# Pre-task results

Analysis of data emerging from the pre-tasks is organised according to customer type: (1) NW and ESW household customers; (2) NW and ESW non-household customers; and (3) vulnerable customers.

For clarity of reading, the findings from each customer type were then presented online with the questions regarding the deliberation of the pre-task material outlined within the guidance. These were:

1. Did they know much about this beforehand (i.e., what information was new)? What interested them the most or surprised them? (Please note that responses to both questions are inter-related and therefore are presented alongside each other).
2. How easy is it for you (or your company / organisation) to pay your current water and wastewater bill? For future customers this was replaced with a poll to understand how impressed they were with NW / ESW.
3. For non-household respondents specifically, what are their business needs and expectations for water / water and wastewater services?
4. Do they have any questions?



# Household customers response to pre-task information

## What was new, interesting or surprising?

Following on from each video in the pre-task survey, respondents were asked to make a note of anything new, interesting, or surprising that they'd like to share in the workshop.

The first video that respondents viewed provided an introduction to NWL and the water industry. Themes in the items that respondents noted as new, interesting and surprising included:

Volume of water used/supplied

Awareness of other regions within the group (NW or ESW)

Themes identified as being interesting or surprising amongst NW respondents only included:

Use of sludge

Storm overflows

Hartlepool having different water supply

The second video respondents viewed was in relation to the water industry's business planning process. There were two areas which NW and ESW respondents found surprising or interesting following viewing this video:

Surprise at customer involvement in business planning process

Desire for more information about how costs are calculated



The third video respondents watched was about the services that NW / ESW provide. This included information on the company's purpose and how this is achieved covering the following areas:

- Reliable services and unrivalled customer experience
- Caring for the long-term needs of the environment
- Sustainability and resilience
- Affordable and inclusive services
- Efficiency and prudent investment
- Caring for communities

Two themes of interest / surprise emerged for respondents from both regions:

60p of every £1 invested locally

Involvement in community projects

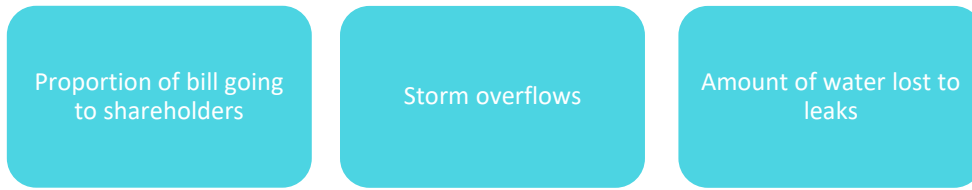
ESW respondents were also interested in the sustainability efforts of ESW in responding to risks emerging due to climate change. There were several positive comments from NW respondents about the PSR, along with the desire for further information about future investments.

Finally, respondents were asked to note down three or four things that were new, interesting, or surprising to them having been through the pre-task information. Many of the comments across both regions were in relation to the cost of bills, with ESW respondents mainly focusing on the higher cost of their bills compared to other water companies. Comments about this were much more frequent than any other aspect of the information provided. There were comments in both regions regarding concern about the future increase in bills, with a notable number of NW respondents also commenting positively on their surprise at having the lowest water bill.

Across both regions, there were also several comments about the involvement of Ofwat in the business planning process, and the nature of performance related financial penalties and rewards, with respondents commenting that they were unaware and surprised by this.



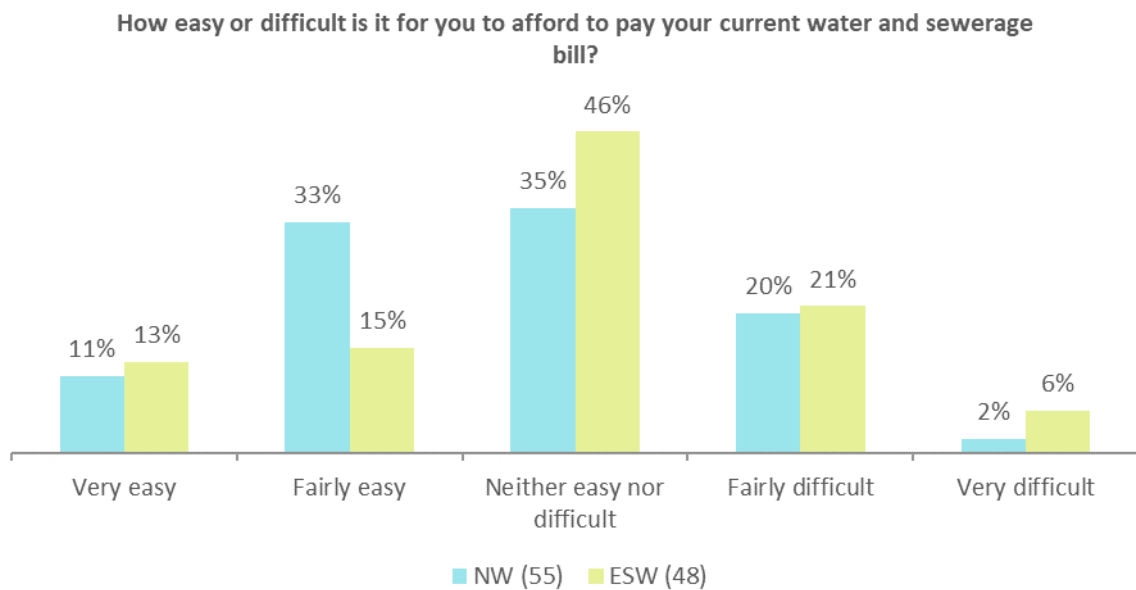
Other areas that were new, interesting, or surprising for NW customers included:



There was one other area identified amongst ESW respondents, which was surprised at the customer input into ESW’s business planning. This was in addition to the point made on the previous page around Ofwat’s involvement which was present across both regions.

## How easy is it for you to pay your current water / water and wastewater bill?

Household customers were asked how easy or difficult they found it to pay their current water (and wastewater) bill. NW respondents were more likely to find it easy to pay their bill than ESW respondents, with 44% in the NW region finding it very easy or fairly easy to pay their bill, compared with 28% in the ESW region. ESW respondents were more likely to find their current water bill neither easy nor difficult to pay, with 46% of respondents selecting this option, compared with 35% of NW respondents. These results include both online and face-to-face pre-task results.



## Do they have any questions?

Any questions posed by respondents during their deliberation of the pre-task have been noted in the previous section which highlights what they found new, interesting or surprising in the pre-task information. For clarity, they are further referenced below.



A desire to know more about future investments



A desire to know more about how the costs associated with the business plans are calculated

## Non-household customers response to pre-task information

### What was new, interesting or surprising?

As with household customers, non-household customers were asked to highlight any areas of interest from the videos they watched. Responses were very much in line with those from household customers:

Volume of water used/supplied

Involvement of Ofwat in business planning

Input of customers to business planning

Awareness of other regions within the group (Northumbrian Water or Essex & Suffolk Water)

Environment / sustainability is important

Hartlepool supplying their own water





To conclude the pre-task, as with household customers, non-household customers were asked to note down three or four things that were new, interesting, or surprising to them having been through the pre-task information. As seen amongst household customers, the main area of focus amongst both NW and ESW respondents was around the cost and increase of bills, and the breakdown of where customer bill money is spent. A notable number of respondents also commented on their surprise at the five-year business plan process as this wasn't something they had been aware of.

## The business needs and expectations for water / water and wastewater services

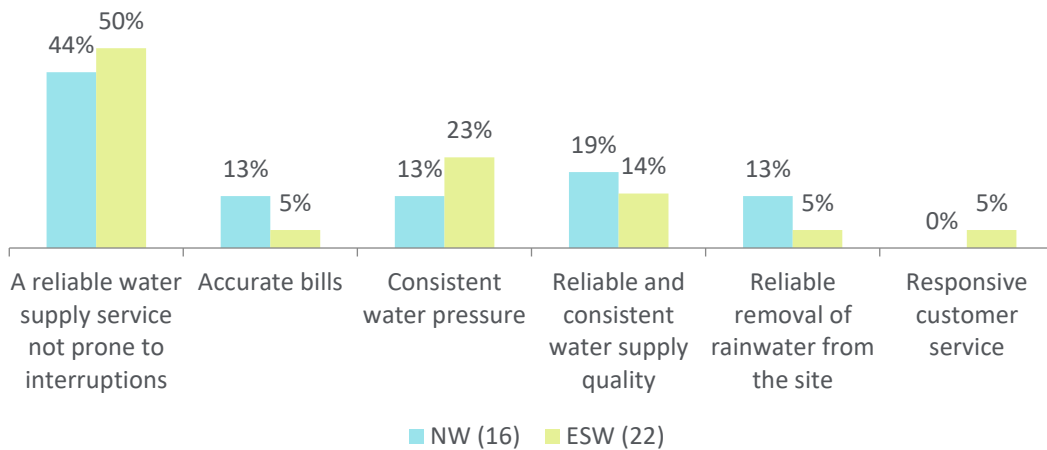
Respondents were then asked to rank different aspects of service in terms of importance for the day-to-day operation of their business. Aspects were ranked from one to seven, with equal rankings being allowed. The reliability of water supply, in terms of quality and lack of supply interruptions, were the top priorities for both regions.

	NW (Base 16)		ESW (Base 22)
1 <sup>st</sup>	Reliable and consistent water supply quality (taste, smell, appearance of water)	1 <sup>st</sup>	A reliable water supply service - not prone to interruptions
2 <sup>nd</sup>	A reliable water supply service - not prone to interruptions	2 <sup>nd</sup>	Reliable and consistent water supply quality (taste, smell, appearance of water)
3 <sup>rd</sup>	Accurate bills	3 <sup>rd</sup>	Consistent water pressure
4 <sup>th</sup>	Reliable removal and treatment of water used at the business premises allowed	4 <sup>th</sup>	Responsive customer service when there is a problem
5 <sup>th</sup>	Responsive customer service when there is a problem	5 <sup>th</sup>	Accurate bills
6 <sup>th</sup>	Reliable removal of rainwater from the site	6 <sup>th</sup>	Reliable removal and treatment of water used at the business premises allowed
7 <sup>th</sup>	Consistent water pressure	7 <sup>th</sup>	Reliable removal of rainwater from the site



Respondents were also asked what their business expectations were for future water (and wastewater services for Northumbrian Water respondents) services. They were also asked what they would most like to see improved. In both regions, a reliable water supply service not prone to interruptions was most important. Reliable removal of rainwater from the site and responsive customer service were seen as less important.

**What are your business expectations for future water and sewerage services and what would you most like to see improved?**




## How easy is it for your company / organisation to pay your current water / water and wastewater bill?

Non-household customers were asked how easy or difficult it is for their company / organisation to pay their current water (and wastewater) bill. ESW respondents tended to find their bills easier to pay, with 63% stating it was either very or fairly easy to pay their bill, compared with 31% of NW respondents. NW respondents were more likely to find their bill neither easy nor difficult to afford.



## Do they have any questions?

As with household customers, questions focussed on the financial information presented within the pre-task information. Specifically:

 A desire to understand in more detail how customer money is spent



## Future customers response to pre-task information

### What was new, interesting or surprising?

Following video one, the main area that had surprised future customers from both regions was the volume of water NW / ESW supplied. A notable number of respondents from NW also commented that they weren't aware of Hartlepool having their own supplier or that NW also operated in Essex & Suffolk.

Volume of water  
supplied

Hartlepool having a  
different water  
supplier

NWL also operating in  
Essex and Suffolk

For video two, the main area of surprise for respondents from both regions was the involvement of customers in the business planning process.

Customer involvement  
in business planning  
process

There were three main areas of surprise / interest across both regions following video three:

Involvement in the  
local community

Support schemes/PSR

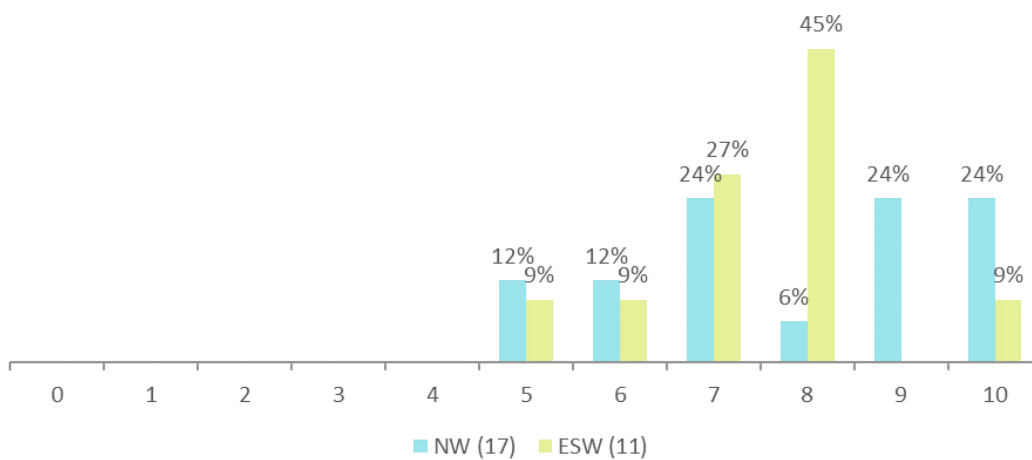
Sustainability/  
environment



## After viewing the pre-task information, how impressed are you with NW / ESW?

Future customers were asked to rate, on a scale of one to ten, how impressed they were feeling about their water company after viewing the pre-task information, with one being 'very unimpressed' and ten being 'very impressed'. All respondents from both regions scored five or above, with NW receiving an average of 7.88 and ESW receiving an average of 7.45.

If 10 is 'very impressed' and 0 is 'very unimpressed', how are you feeling about your water company?



Future customers were then asked to provide a reason for their response. Themes were mirrored across both regions and reflected the high scores given:

- Good/clear information provided
- NW / ESW care about the environment
- Good performance

Themes identified amongst NW respondents only included:

- NW cares about customers
- Low bills
- Provide good service



One theme was identified amongst ESW respondents only:

Well thought out plan -  
aiming to deliver better  
service

Lower scores of five and six were given by ESW respondents who felt they didn't have strong opinions about ESW, whereas for NW one respondent felt there was a failure to provide a clear plan regarding how the targets would be met, and another commented *"they seem to be in control most of the time but I am concerned about the severity of the situation when it doesn't [they aren't]"*.

## Any questions?

Questions from future customers focussed less on the financial implications of the business plans and more on the feasibility of the targets outlined within them. This in contrast to the questions posed by household and non-household customers.



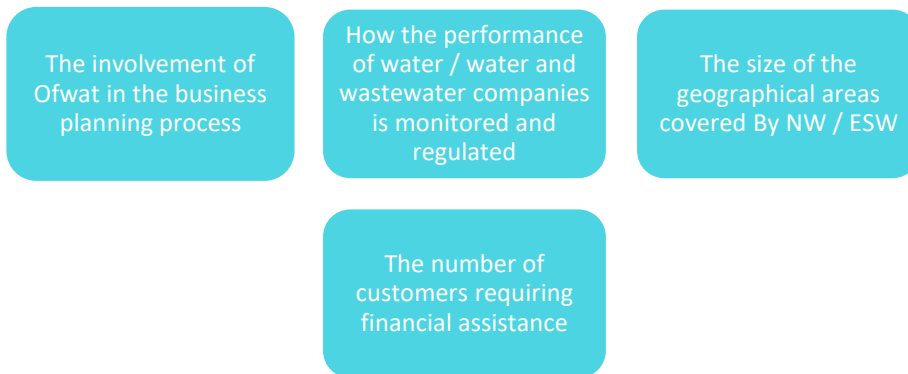
A desire to understand in more detail how the targets outlined within the business plans will be achieved



## Vulnerable customers

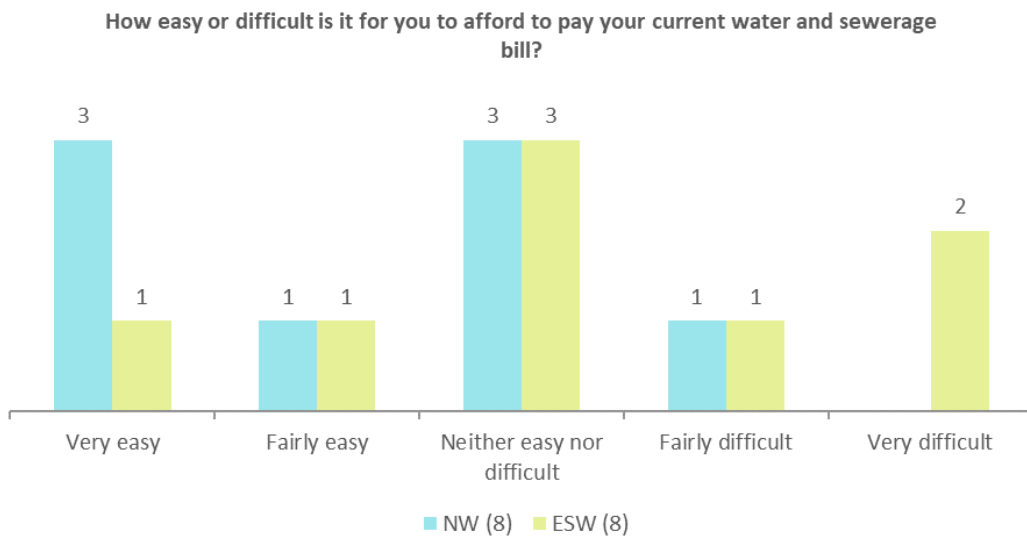
Did they know much about this beforehand? What interested them the most or surprised them?

To begin interviews, respondents were asked whether anything that they had read within the pre-task information was a surprise. Responses varied, with a number focussing on the regulation of the water industry and Ofwat’s role in the business planning process, others on the size the areas covered by NW and ESW (and the scale of water processed) and, for one respondent, there was shock at the number of customers requiring financial assistance. This is summarised below:



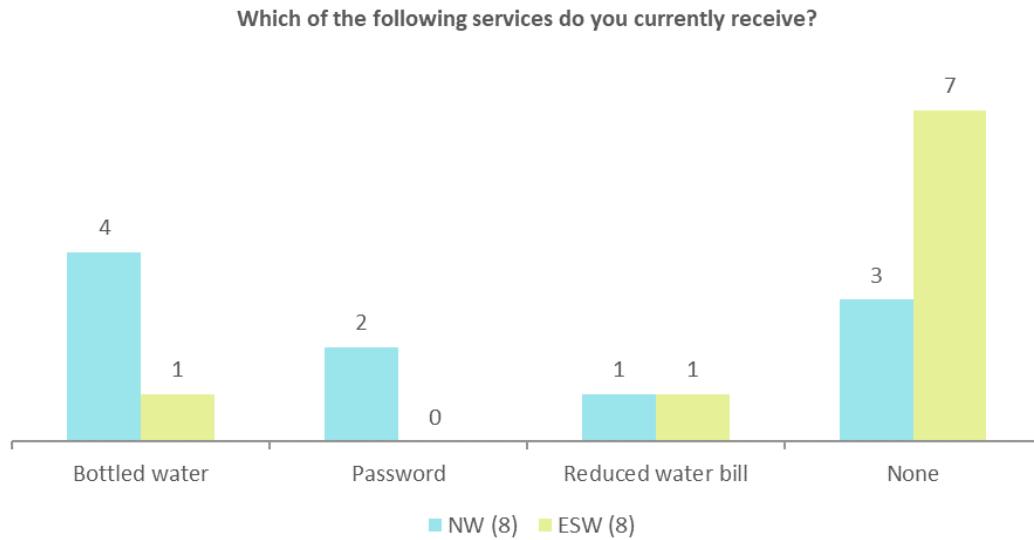
## How easy is it for you pay your current water / water and wastewater bill?

Vulnerable customers who took part in face-to-face interviews were asked as part of their pre-task how easy or difficult it is to afford to pay their water (and wastewater bill). Responses were mixed across both regions. Half of the respondents from the NW region found it easy to pay their bill, with none from the region finding it very difficult, compared with two from the ESW region. Results here are shown in numbers rather than percentages due to the small base sizes.








Respondents from the NW region were more likely to receive services for vulnerable customers, with delivery of bottled water to their home if their water supply is disrupted for more than a few hours the most common service received. Only two respondents from the ESW region received any additional help, this was through a reduced water bill due to being on a low income and the provision of bottled water.



## Any questions?

The questions posed by respondents continued on from the areas that surprised them the most and are summarised below.

- 
A desire to learn more about smart meters
- 
A desire to understand in more detail how NW / ESW spend money
- 
A desire to understand in more detail how the financial penalty and rewards to water / water and wastewater companies are funded

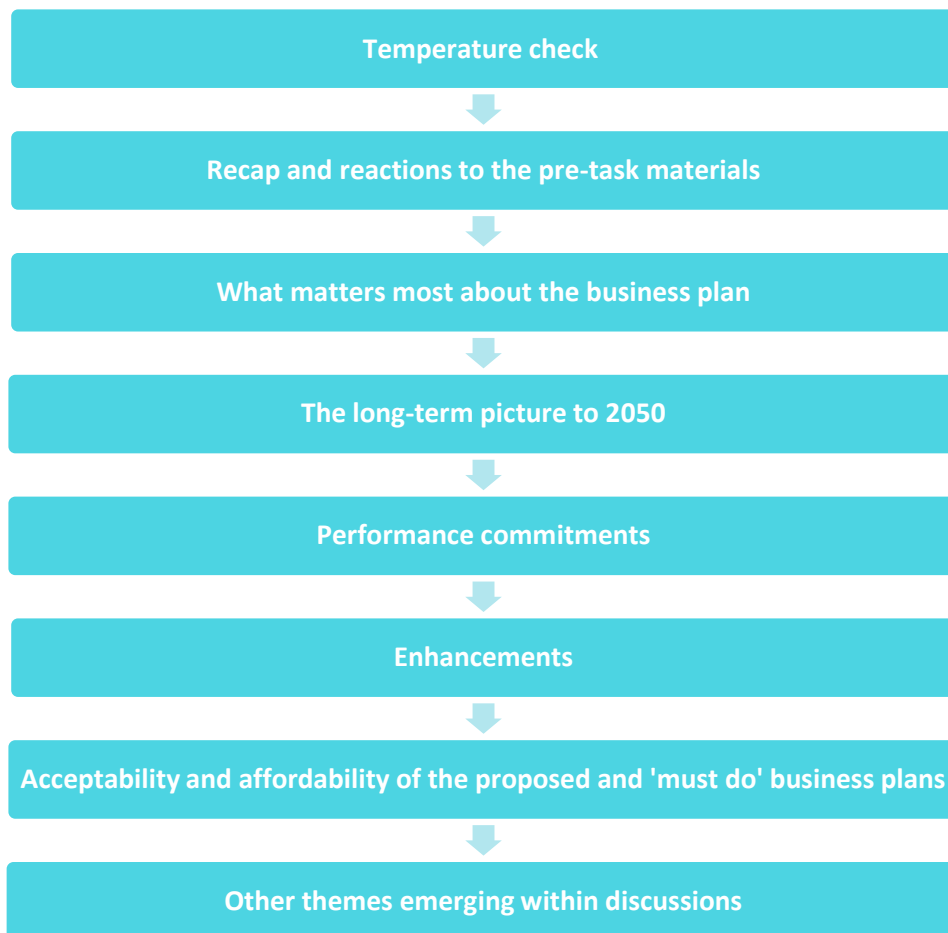


# Workshop / interview results

This section of the analysis concerns the findings of the deliberative workshops and in-depth interviews held with the following customer types:

Deliberative workshops			In-depth interviews
NW and ESW household customers	NW and ESW future customers	NW and ESW non-household customers (micro, <10 employees)	NW and ESW non-household customers (small to medium, ≥10 employees)

For ease of reading, the results of the workshops and in-depth interviews are structured in the following order.



Each will now be discussed in more detail.

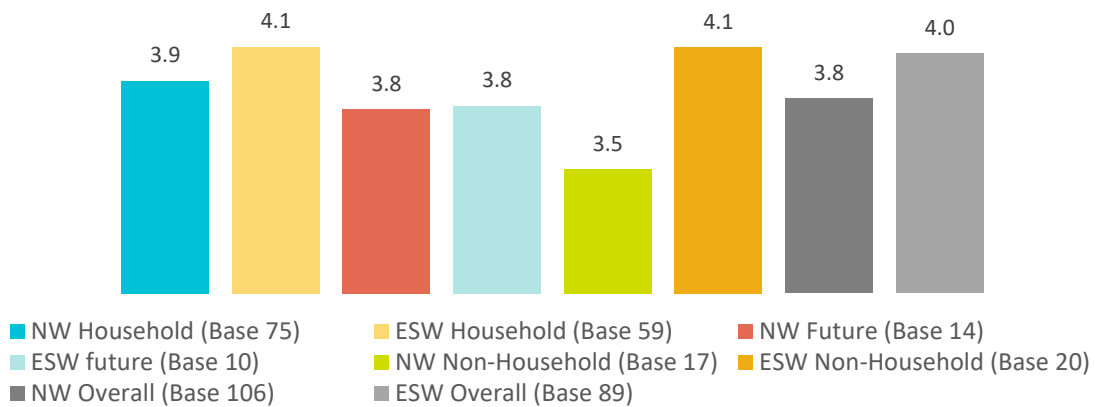


## Temperature check

At the beginning of the workshops, respondents were asked to take part in a series of polls, designed to provide a contextual understanding of the discussions that followed.

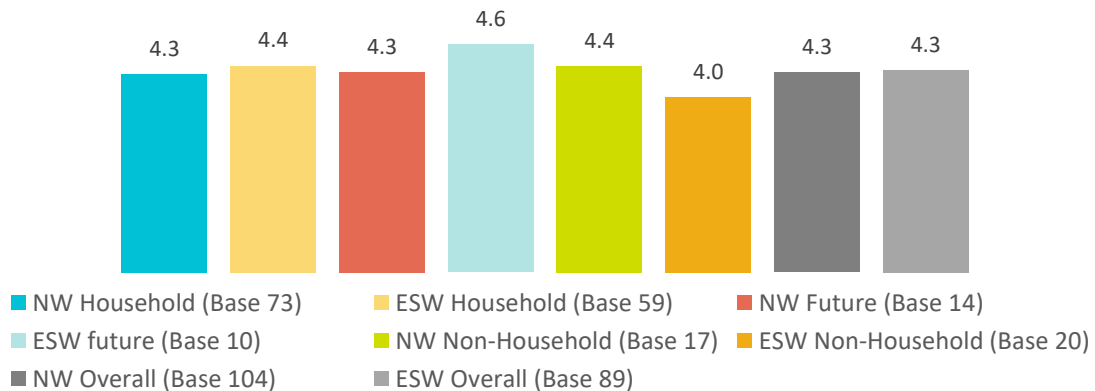
The first question was ‘on a scale of one to five, how concerned do you feel about the impact of climate change in the UK’. Overall, this received a mean score of 3.8 for NW and 4.0 for ESW. Concern was lowest amongst NW non-household respondents (3.5) and highest amongst ESW household and non-household respondents (4.1).

**On a scale of 1 to 5, how concerned do you feel about: The impact of climate change on the UK**



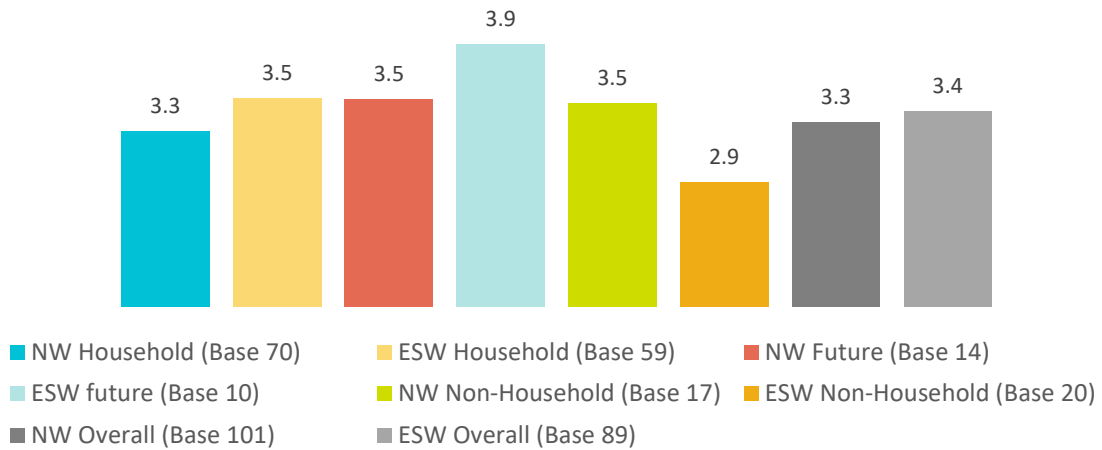
Respondents were then asked how concerned they were about the cost-of-living crisis in the UK. Concern was higher here than it was for climate change, with an overall score of 4.3 for both NW and ESW respondents. Concern was highest amongst ESW future respondents (4.6).

**On a scale of 1 to 5, how concerned do you feel about: The cost-of-living crisis in the UK**



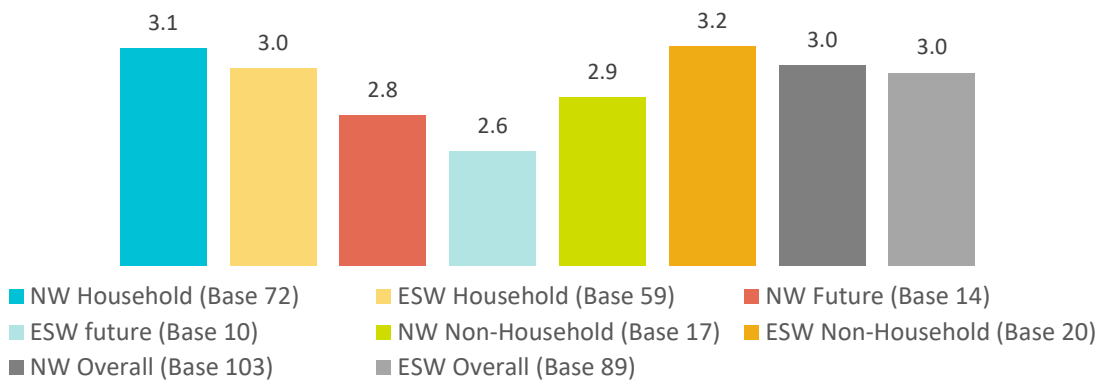
The next poll ascertained the level of concern that respondents felt about their own personal finances or, for non-household respondents, the financial stability of their organisation. Concern was lower here, with an overall score of 3.3 for NW respondents and 3.4 for ESW respondents.

**On a scale of 1 to 5, how concerned do you feel about: Your own personal finances (or financial stability of their business/organisation)**



Finally, respondents were asked how concerned they were about their own / their business' carbon footprint. This question received the lowest scores of all the polls, the overall mean score in each region was 3.0. This indicates that respondents were less concerned about their own carbon footprint compared with the other areas mentioned. Notably, concern was the lowest amongst future customers (2.8 NW and 2.6 ESW).

**On a scale of 1 to 5, how concerned do you feel about: Your own carbon footprint (or of your business/organisation)**



## Recap and reactions to the pre-task materials

Respondents were then placed into breakout discussions to talk about the pre-task materials. To begin with, respondents discussed what their favourite things were to do with water. This conversation served as an 'ice breaker', enabling respondents to feel comfortable holding discussions as a group. Common responses included drinking, swimming, bathing, and cooking.

- *“My favourite thing about water is drinking it from the tap and not have to buy it in a bottle” (Online workshop, NW, Tees)*
- *“Got a family of three kids so water is important for us to have showers, baths. I do love drinking water, it's pretty much all I drink” (Online workshop, ESW, Suffolk)*

Respondents were then asked how they found the pre-task information they were given, whether they found anything difficult to understand, surprising, or whether their opinions of their water company had changed having read the information. On the whole respondents did not highlight any information that they found difficult to understand.

Further feedback across the regions and groups tended to vary, however NW and ESW were organisations that all respondents seemed to have a reasonable awareness of. There were some elements that surprised ESW respondents, such as the fact that the company was owned by NW, the area covered by ESW, that wastewater was dealt with by another company, and that consumers had no choice as to who provided their water supply.

- *“Yeah. I was surprised that it was owned by NW. I didn't realise that” (Face-to-face workshop, ESW, Dagenham)*
- *“But they don't... it's Thames Water that deal with the waste sewage part here. The reasons, I mean, maybe it's because when they carved it all up or whatever and they sold it off, that's the way that it came out” (Face-to-face workshop, ESW, Dagenham)*

A notable number of ESW non-household ( $\leq 10$  employees) respondents were also surprised at the level of research and involvement undertaken by ESW.

- *“I think just generally that so much kind of effort was going into a business plan for water companies in general I found it quite surprising” (Online workshop, ESW, non-household)*
- *“Just because it was a basic need that every household and businesses require and I just thought that it would be standardized” (Online workshop, ESW, non-household)*
- *“I'm actually surprised at how much they wanted to get their customers involved and they cared about the feedback from them. Obviously like hosting research like tonight to take into*



*consideration, like the customers thoughts and opinions and not just rolling it out” (Online workshop, ESW, non-household)*

A notable number of respondents from both regions commented on the positive experiences and services they had received from their water company, particularly in regard to resolving issues and customer service.

- *“I think one of the better water companies, I know this is not linked to the actual material. There was a massive sewage problem around the Essex, Basildon area recently linked to a burst pipe. ESW they were straight on the case. They’ve dredged the lake and everything and put out new water flowers beds around the park, so they are quite proactive, better than other companies.” (Online workshop, ESW, non-household)*
- *“We’re very lucky, in this area, and we’re notified if there’s ever going to be a stop in the water. It’s a good service and the reliability [inaudible 40:11], I think” (Face-to-face workshop, ESW, Beccles)*
- *“I was worried when I was moving to my own apartment because in Ukraine, when you rent an apartment usually the owner still has to pay all bills. Here, if you rent, you still need to have all your bills in your name and to pay all the bills and I was worried how to organise the process because my house was just newly renovated, and I was the first tenant. It was very easy. I just applied online .... I just chatted with people in chat, on Facebook and it was very convenient, very easy. I didn’t need to sign anything. It was all online. I have the app in my phone. I can see all bills. Yeah, very, I like how it works.’ (Face-to-face workshop, NW, ESL)*

Across both regions there was discussion around rewards and penalties, with comments about customers paying more if targets are reached, and there not being any impact on profits when targets are not reached.

- *“Yeah, I was quite surprised the company being rewarded by us paying more or we pay more when they reach their quotas and we pay less when they didn’t, and I thought that was quite interesting, I had no idea about that” (Online workshop, NW, Northumberland & Tyne)*
- *“Yeah, I thought it was quite interesting, one of the things I thought it must be nice to have a company where you are guaranteed profit, all the time, they made 9% no matter what” (Online workshop, NW, Northumberland & Tyne)*
- *“I was really surprised that there is no incentive for ESW to do better environmentally because the fines just come back on us. So, I was really shocked by that. It’s like, where’s the incentive for them to sort these problems out because they just get paid for by us. I was shocked by that one” (Online workshop, ESW, Suffolk)*



There was also some focus on leakage and the perceived benefits and importance of addressing this.

- *“Yeah, it was the amount of water that was wasted through leaks, and it just doesn’t seem to go down much, that’s what I sort of took from the (report)” (Online workshop, NW, North and Tyne)*
- *“Yes, I’m satisfied with the service to my house, but I’m not satisfied with wastewaters and some of the leaks that don’t seem to get repaired, as quick as they could be” (Face-to-face workshop, ESW, Beccles)*

Amongst NW non-household respondents, there was also general positive feedback about the plan, with comments that it was focusing on the right areas and one respondent particularly keen on staff volunteering hours to the community.

- *“I just thought it was straight forward I didn’t see anything that I was concerned about really. No, not at all” (Online workshop, NW, non-household)*
- *“I mean I thought it was quite interesting, I thought it was quite promising all the things they were looking to do, I thought it was interesting looking against other regions and where we kind of sit on performance,” (Online workshop, NW, non-household)*
- *“Where it said about a certain percentage of their staff volunteer hours back, I thought that was wonderful.” (Online workshop, NW, non-household)*

Across the NW discussion, perceptions of the most important areas of the plan varied, with water quality, the environment and pollution highlighted by different respondents.

- *“Yeah, well I was pleasantly surprised to find the pollution target, that NW was well below the target, which is good, especially for my sea swimming” (Online workshop, NW, Wear)*
- *“I would have thought that especially when they are talking about ways forward in their plans for the future, quality of water would have been top of the list other than, it was mentioned that they didn’t perform very well against other companies so as far as I’m concerned quality of water should be number one” (Online workshop, NW, Northumberland & Tyne)*
- *“My biggest concern is the environment because we are very lucky to live where we do, but it’s still a very finite resource and if it’s not looked after properly, you know, it’s very precious” (Online workshop, NW, Northumberland & Tyne)*

Several NW respondents raised concerns over the plan, with one querying how funding an adequate response to environmental issues might have an impact upon wider socio-inequalities with respect to lower income billpayers, and one commenting on how local performance would still be lower than it had previously after the plan has been implemented.



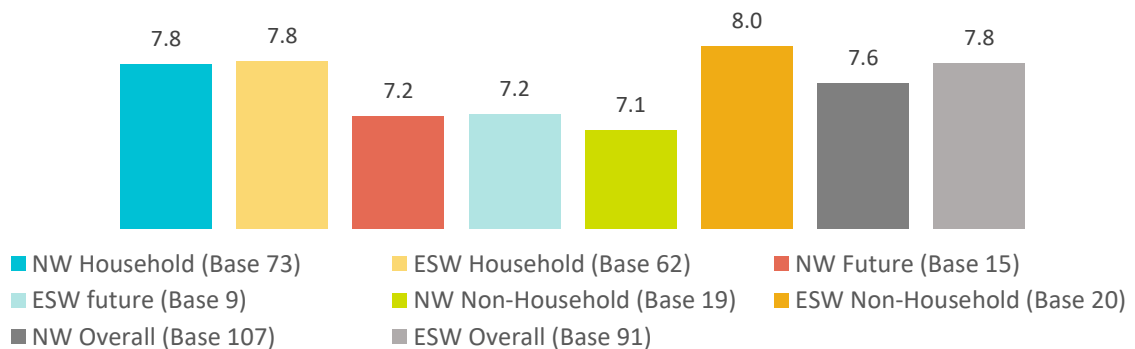
- “...knowing with the cost of living crisis at the minute, I was just a bit concerned how the lower income families are going to be able afford that and what's going to be added in that increase and how like everyone said and how is that going to be supporting our environment like what's services are being made to help, and manage our water resources and look after our environment” (Online workshop, NW, Northumberland & Tyne)
- “Probably the thing that surprised me the most was about how it has deteriorated over the past 15 years and even after five years of development it's still going to be worse than it was ten years ago, just one of the things that struck me off the charts” (Online workshop, NW, Wear)

Several ESW respondents commented that they were pleased about the help and support ESW offered to customers.

- “I was surprised about the things they offer for help for people who might struggle. I didn't realise there was a system in place if there is severe flood or the all the water gets turned off, they have a list of people they need to get to first, I found that interesting” (Online workshop, ESW, future)
- “I like the humanitarian side of stuff so like all of the stuff they were like willing to do for the different boroughs ... I didn't know water companies did that. I just thought they would be interested in changing the pipe and just kind of getting on with it. I was quite surprised” (Online workshop, ESW, non-household)

Respondents were then asked how confident they felt in their understanding of NW / ESW's role. Confidence in their role was slightly higher amongst ESW respondents, with a mean score of 7.8 out of 10, compared with 7.6 for NW.

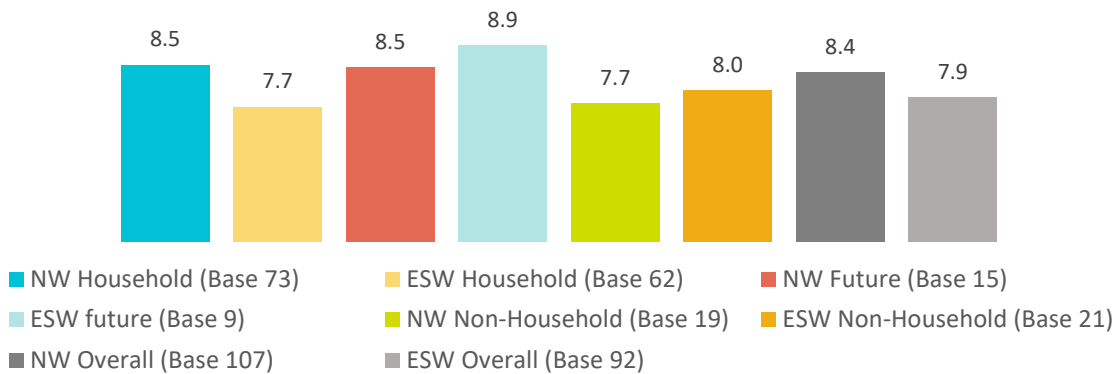
**On a scale of 1 to 10, where 1 is not at all confident and 10 is very confident, how confident are you in your understanding of NW's / ESW's role? (mean confidence)**





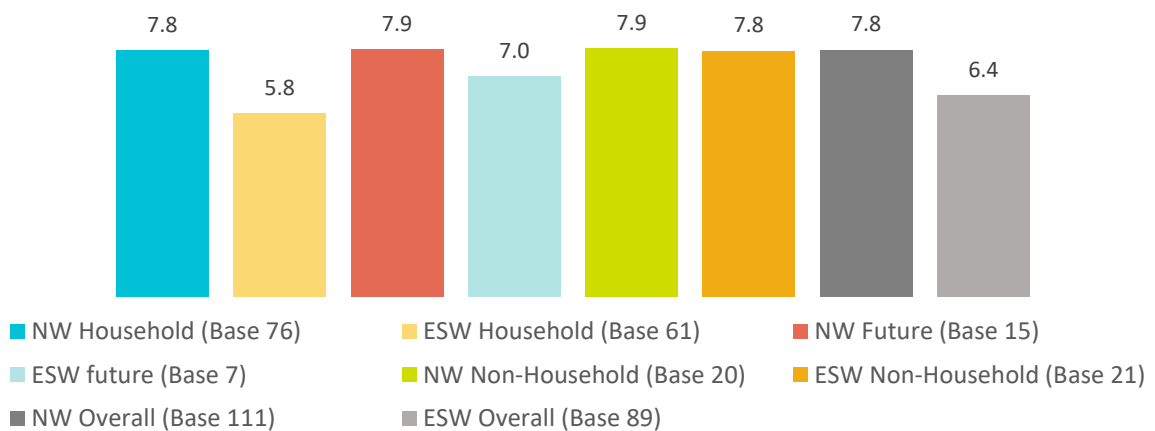
Respondents were then asked how satisfied they felt with the service they received from NW / ESW. Satisfaction was higher amongst NW respondents, with a mean score of 8.4 out of 10, compared with 7.9 for ESW respondents. Satisfaction was highest for ESW future respondents at 8.9 (although the low base size should be taken into consideration here) and lowest for ESW household respondents (7.7).

**On a scale of 1 to 10, where 1 is not at all satisfied and 10 is very satisfied, overall how satisfied are you with the service you receive from NW / ESW? (mean satisfaction)**



The next poll was regarding satisfaction with the value for money received from NW / ESW for their water (and wastewater services). Satisfaction with value for money was considerably higher for NW with a mean score of 7.8 out of ten, compared with ESW who received a mean score of 6.4. Satisfaction was lowest for ESW household respondents (5.8).

**On a scale of 1 to 10, where 1 is not at all satisfied and 10 is very satisfied, overall how satisfied are you with the value for money you receive from NW / ESW for your water (and wastewater) services? (mean satisfaction)**



Finally, for the ESL group, there was surprise and praise for the business planning process. In particular, the environmental focus of the plans was noted with favour.

- *“Really nice and really helpful for ecology for this country. I think British have to be happy because somebody care about the ecology around these people” (Face-to-face workshop, NW, ESL)*
- *“Probably for Ukrainians, it’s a little bit strange when a company cares about sustainability and environment because we don’t think about it. We wish only to receive high quality services from our water supply companies, but we can see it only in our dreams, that’s all. It’s a good plan. I wish in Ukraine companies also did something like this for Ukrainian customers” (Face-to-face workshop, NW, ESL)*



## What matters most about the business plan

Respondents were again placed into breakout groups to discuss which areas of the plan were most important to them.

For a significant proportion of NW and ESW respondents, maintaining a reliable supply of water was key due to the frequency of use and the impact an interruption to supply could have. This was also highlighted as important for businesses who relied on a consistent water supply.

- *“I think supply of water to the property, and you know domestic sewage are the most important things. Because it effects your own quality of life and inconveniences your life if they are not there so if you don’t have these services, you want them back online as fast as you possibly can” (Online workshop, NW, Wear)*
- *“I would say continuation of service. Obviously, we had a very dry summer last year and they’re predicting a dry one this year. And ESW has got very sandy or thin soil, so it doesn’t retain its water locally, not necessarily centrally. There wasn’t much reassurance last year about continuation of supply, a lot of it from a customer point of view was if, but maybe and guess work” (Online workshop, ESW, Suffolk)*
- *“As long as we are getting water to drink and we can flush the toilet, that’s ten out of ten for us” (Online workshop, NW, non-household)*
- *“Yeah, for me it is just making sure there is no disruption and there’s consistently clear running water. Obviously, we’ve got a floristry to so it’s important going to the flower market we don’t want to bring these flowers back and not have anywhere to keep them until we send them out to customers and clients so for me it’s just making sure there no disruption. Obviously, cost is important, but I would rather maybe a little bit extra to make sure you get a good service as supposed to getting issues constantly” (Online workshop, ESW, non-household)*

For a similar proportion of customers, ensuring a high quality of water supply was important. Some ESW respondents discussed the affect water has on appliances, for example impacting on the operation of washing machines. Further, one NW respondent highlighted interest in how the quality of water supply was ensured.

- *“For me it’s drinking water, obviously I have been travelling and things like that and you have to buy bottled water ... the fact that we can pour a glass of water and drink it is the most important thing” (Online workshop, NW, Wear)*



- *“I buy bottled water to drink and to cook with because you could say my trust in the water that comes through the taps is not that high and I definitely agree with the first person that said the water is affecting all of our appliances ... I know a lot of my friends have water softeners and they are like ‘We don’t even need to clean our bathrooms because they are just sparkling’ whereas I have got hard water stains over most things which I have to clean up regularly” (Online workshop, ESW, Essex)*
- *“I’m also interested in the quality of the water we drink, like what actually goes in, the chemicals, the way it’s processed and what am I actually drinking so yeah, I’m interested in that” (Online workshop, NW, Northumberland & Tyne)*
- *“Okay, so I think I mean I’m more interested in what goes into the water and into the rivers into the sea” (Online workshop, NW, Northumberland & Tyne)*

One area in which investment was felt to be needed was public education. Several NW respondents referred specifically to the issue of wet wipe disposal as causing problems.

- *“The sewage side of it does worry me, because where I live, they are big families. I think an education piece for people would be really beneficial for the water company, because people still think they can put wipes down there and it is a massive problem once there is a blockage, you know, and it stops the services for everyone.” (Online workshop, NW, Wear)*

Several NW respondents questioned the legitimacy of predictions concerning the impact of climate change, upon which some of the proposed actions within the plans are based.

- *“I mean, they can’t forecast the weather for tomorrow. If you looked at the forecast for this week, it would have been telling you that it will rain every day right the way through, and it hasn’t. I mean, climate change is one of those subjects which I find that people are either, wow, it’s definitely on, or they’re totally sceptical, and I am totally sceptical, but I don’t force my views on anybody” (Face-to-face workshop, NW, Hexham)*

A notable number of ESW respondents commented on the positive customer service they had experienced, for example being kept informed of issues, and the importance of this.

- *“We’re very lucky, in this area, and we’re notified if there’s ever going to be a stop in the water. It’s a good service and the reliability” (Face-to-face workshop, ESW, Beccles)*
- *“Well, I can only say that I only really had to contact the water company on two occasions and on both occasions they’ve been brilliant.” (Online workshop, ESW, Essex)*
- *“Something that is important to me is the basis of the water itself is safe for drinking and using? I feel like customer service goes hand in hand with that. Like if anything does go*



*wrong, or you have a person that will explain why it has gone wrong, it can reassure you through the process. I feel like that relates to affordability because you are getting what you are paying for in terms of hygiene level of the water” (Online workshop, ESW, future)*

Respondents across many groups focussed on affordability, this was expressed in several ways. Bill impact was top of mind for many respondents, with both household and non-household respondents raising their concerns in this area.

- *Yeah, I was going to say the bills matter more to me at the moment with the cost of living and everything, especially looking at those tables when you see that we’re paying far more than a lot of people do across the country. At the end of the day, you’re getting the same amount of water, you may well be doing other things slightly better than other companies but in terms of how it’s affecting me personally, what I pay for at the end of the day for the same as what everyone else gets across the country is quite a big deal to me. So, that would be quite high up in my priorities” (Online workshop, ESW, Suffolk)*
- *“Like everything with business at the moment the costs are rising in every aspect it only takes a little from all your different costs to make a big difference. Thames Water going up 30 percent. That’s quite a lot in six or seven years so if they follow suit, it will make a big impact on every business” (Online workshop, ESW, non-household)*
- *“Yeah I think in the short term, with just the way the things have been going with gas and electric as well I think affordability is going to be a really big one, especially for younger people who have you know let’s put it just got a house or renting currently and seen other bills sky rocketing, if water goes up as well it’s another added pressure we don’t really need” (Online workshop, NW, Northumberland & Tyne)*

Related to this, investment was raised, in terms of how ESW was spending its budgets and with respondents requiring further information regarding investments.

- *“Two things, and both were slightly mentioned earlier, one also an element of what you asked just now. One was the 60p in the pound to the ESW areas but no more details about where the investments going. Also, from the pie chart, it said 19p per pound was spent on equipment etc. More detail on that for me please, for future please” (Online workshop, ESW, non-household)*
- *“I think partly, it’s gaps in knowledge because obviously a lot of this is relatively new information and it’s very useful. The other thing that I think is interesting to me is, it mentions in the slides about ESW looking at new suppliers for water, again more detail on who are they, and what is that investment going to be like? And finally, it mentioned about*



*caring for the environment. Again, question, the usual what and how and when on that”  
(Online workshop, ESW, Suffolk)*

- *“As he was saying how certain things are old. I just recently, my stop cock outside my house got blocked so I had to call ESW a week ago. They turned up two days ago to fix it, they fixed it quickly and easily and was free of charge, but it got me thinking, certain things, like English housing is very old, the pipes are old. I think it is their duty ask every household to check, I’m sure they do it but I don’t think they do it enough. It was a big leak outside my house, but they got it done” (Online workshop, ESW, future)*

Although respondents were concerned about increases in their bills and the affordability of increases, the relatively low cost of the water bill compared with other utilities was noted.

- *“Also money wise, a lot of things are getting more expensive. I don’t pay any bills at the moment because I’m at uni, but at home I’ve seen my parents, they tell me how much everything costs. Water is definitely the cheapest, but I think as long as it’s a decent amount it’s not going to leave anyone short of anything” (Online workshop, ESW, future)*
- *“from my point of view I have got a household with three adult children and yes I really wish it wasn’t going up because cost of living is already absolutely killing me like everyone else but when I compare it to, I’m still paying a tenth of what I’m paying for my energy costs, mines about 30 a month my water stuff and my electricity is over 300 a month which is you know that’s just gone up and up, from that point of view I wasn’t pleased to see it will probably will go up because everything is going up” (Online workshop, ESW, Essex)*

In both regions, there were discussions around different methods of abstraction, with one respondent suggesting desalination of sea water should be considered, and another concerned about farmers creating their own reservoirs.

- *“I would like to know why, when we live on an island, and everyone’s talking about climate and hotter summers and reservoirs drying up, when we live on an island surrounded by water, why there’s no investment in getting the water out of the sea ... Is that something that ESW would look to in the future? Because you have an infinite supply. Sea levels are rising, if you’re taking water out of the sea, it will reduce the sea levels” (Online workshop, ESW, Suffolk)*
- *“I’ve noticed when I walk around my area, at least three or four of the farms locally have created their own reservoirs. So, I don’t know if that’s a plan going forward that they are to do more and more. Because obviously, one of my concerns is about the amount of water that is taken from rivers” (Online workshop, ESW, Suffolk)*



- *“My late wife was Ukrainian. And when I went over there, they use water directly from the sea .... Yet, we're an island surrounded by sea why aren't we utilising that why are we draining the rivers? I don't see no research or any infrastructure being built for, for doing that” (Online workshop, NW, non-household)*



## The long-term picture to 2050 (The Long-Term Delivery Strategy)

Respondents were then provided with information about NWL's Long-Term Delivery Strategy aims. They were then asked what they thought about the goals outlined within the strategy and whether their opinion would differ from the viewpoint of a customer, consumer, and citizen.

### Response to the long-term plans

Thinking about the goals outlined within the Long-Term Delivery Strategy, across both regions focusing on the environment was thought to be of most importance.

- *"I think personally for myself, it's all about climate change, we need to reduce leakage and control better power outage on your pumping stations which will then, because every time you have a sewage failure, it's basically the amount of cost, the amount of damage to the environment that's done, so you are always playing catch up ... it only takes a small amount of sewage to kill out a waterside habitat and ecosystem so it's just little things like that we have to aim for, getting rid of leakage and sort of like maintain the sewage works properly, you know so there isn't any outlet, so the storm flows don't overflow, we don't ruin the rivers, we don't ruin the beaches, it's a genuine environment making Northumberland a better place to be, full stop" (Online workshop, NW, Northumberland & Tyne)*
- *"And sorry, I'm sure most of us saw the program recently that was showing how much, not the big, not necessarily the big cuddly things, but things like insects that have really been damaged, we need to protect our environment so badly, thank you" (Online workshop, NW, Northumberland & Tyne)*
- *"For me, if I think about the environment, yeah, it makes sense to me" (Online workshop, ESW, non-household)*

For several NW respondents, a focus on leakage was thought to have a greater impact upon the system as a whole, for example by aiding in the achievement of other targets such as water resources and environmental impact.

- *"I just think if there is less leakage it impacts a lot of other things further down the line, I think the leakage was something like 100L per household per day, and I think an average for a household was only about 300L" (Online workshop, NW, Northumberland & Tyne)*





- *“So you are talking about 33% of all of the water that’s used, 33% on top of that has leaked out, So I think that could be something - you could reduce your leakage, you're going to reduce the pressure on the whole system which will then reduce the use of storm overflows, how much stuff has been into the rivers, it would have the biggest knock on effect and help all the other goals” (Online workshop, NW, Northumberland & Tyne)*

However, for a minority of NW respondents’ leakage was less of an issue, especially with the presence of particular local infrastructure (e.g., Kielder), and perceptions of geographical variability of water-related shortages.

- *“Just on that for me, reduce water consumption and leakage and ensure households can stand up to drought. Is this really an issue for NW? ... I feel we have always been a bit spoilt for the volume of water we have up here in the north, and that’s why I never view that as a priority. I would feel different if I lived in a different part of the country but that’s why I am not too concerned about leakage and that” (Online workshop, NW, Wear)*

## Would your answer change depending upon the customer / consumer / citizen viewpoint?

Across discussions, many respondents struggled to make reflections based on the consumer vs citizen viewpoint. In addition, in relation to the Long-Term Delivery Strategy goals, household and non-household customers highlighted that the viewpoint did not alter their perspective.

- *“Well, not really. Because I think if everyone has got the same, if everyone is given the same idea as to what is expected, then no one would have a different train of thought” (Face-to-face workshop, ESW, Dagenham)*
- *“No, it just doesn’t change for me, as far as I’m concerned” (Face-to-face workshop, ESW, Dagenham)*



However, within discussions regarding the differing viewpoints of customer / consumer / citizen, a sense of a personal ‘trade-off’ emerged in both regions. There was tension identified between wider societal and environmental needs (a citizen’s viewpoint) and an ability or willingness to pay increased bills (a customer’s viewpoint).

- *“I think the citizen or wider community you’re looking at the environmental impact and you would just want as much money to reduce that as possible but on the flip side as the bill payer, you know we can’t afford it” (Online workshop, NW, Wear)*
- *“Well with the citizen hat, more of a global citizen and the fact that everything is interrelated, I absolutely want to you know, protect water because it’s such a precious resource as somebody who is using services its very much about me going, “yeah, I do my bit” but actually everybody has to do their bit, to make it as easy for us to do that and for the customer, the person who is actually paying the bill, I’m willing to, like some of the others, I’m willing to take that hit to maybe do a little bit more to protect the environment” (Online workshop, NW, Northumberland & Tyne)*
- *“Idealistically, we would all want to save the environment. I read an article recently that said about these projects around saving the environment will all cost us more. So, you can look as a citizen, wanting to maintain the beautiful countryside we’ve got, but as a customer I don’t want my bills to go up by £50. But that is what we’re going to have to look at and accept. It’s a little bit like the energy crisis at the moment. I think it’s going to cost all of us to sustain the environment” (Online workshop, ESW, Suffolk)*



## Focus on the shorter-term picture for the ‘must do’ and proposed business plans. The ambition of the targets proposed within the performance commitments.

Each of the performance commitments were discussed, and respondents asked to vote on how important it is that NW / ESW strives to be industry leading in each area. Results are shown overall, and then for each performance commitment and customer type in more detail.

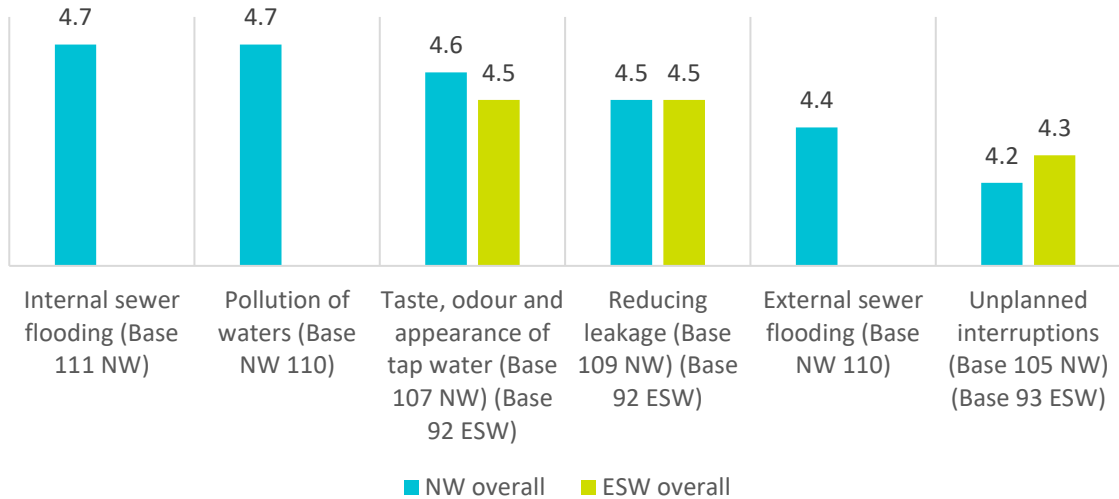
Please note, within this research the majority of respondent feedback on the performance commitments was gathered via voting. Discussions were only held when time permitted, with this varying across both group and performance commitment.



## Overall thoughts on the importance of, and level of ambition shown for, each performance commitment.

The graph below shows the results for each of the regions combined. Votes were on a scale of 1 to 5, where one is not at all important and five is very important. For NW respondents, internal sewer flooding and pollution of rivers and bathing waters were seen as the most important performance commitments, both with a mean score of 4.7 out of 5. For ESW, who were not asked about the performance commitments relating to wastewater, the most important commitments were taste, odour and appearance of tap water, reducing leakage, both with a mean score of 4.5 out of 5.

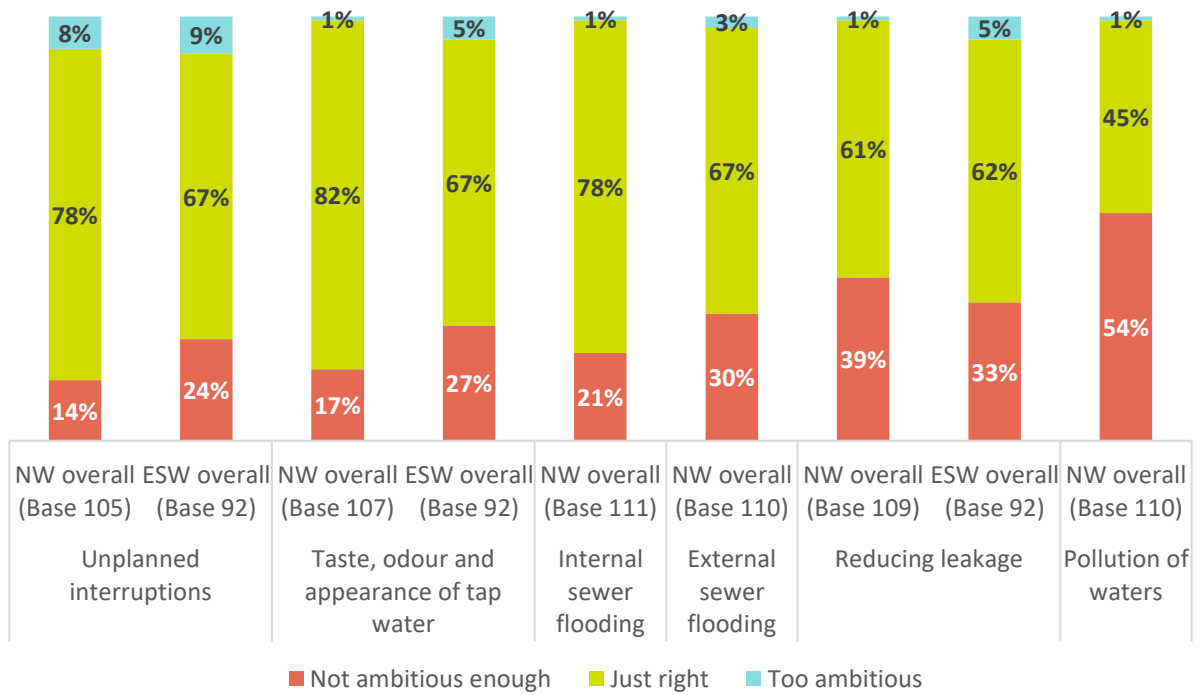
**Mean importance of NW / ESW being industry leading in each of the six performance commitments, on a scale where 1 is not at all important and 5 is very important**



Respondents were then asked to vote to indicate how they felt about NW / ESW's level of ambition for each performance commitment. The results are shown in the graph below and are also broken down by customer type within the subsequent sections of this report.

For most of the performance commitments the majority of respondents thought the ambitions were just right, with agreement higher across the board for NW than ESW. Pollution of rivers and bathing waters was the commitment respondents were less likely to feel was 'just right', with 54% believing this commitment was not ambitious enough.

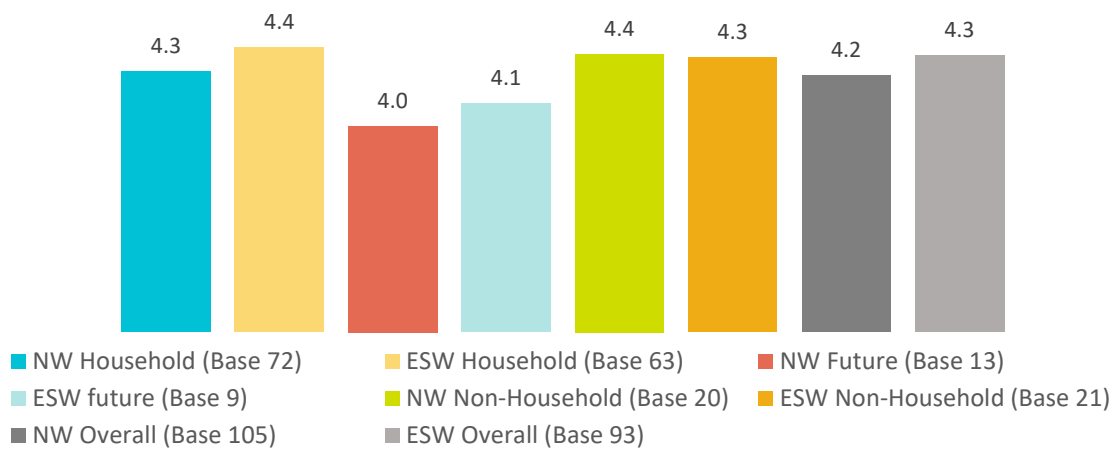
**How do you feel about NW / ESW's level of ambition they have shared for each of the six performance commitments?**



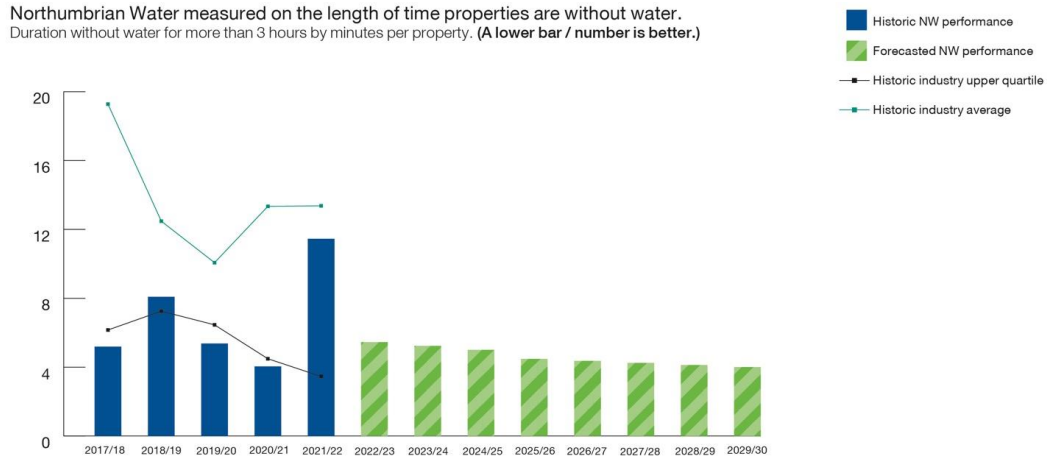
## Response to the proposal and level of ambition detailed for unplanned interruptions.

Unplanned interruptions received a mean score of 4.2 for NW and 4.3 for ESW. For both regions this was seen as least important for future customers (although smaller base sizes should be taken into consideration).

**On a scale of 1 to 5, where 1 is not at all important and 5 is very important, how important is it to you that NW / ESW strives to be industry leading in this area (unplanned interruptions)? (Mean importance)**



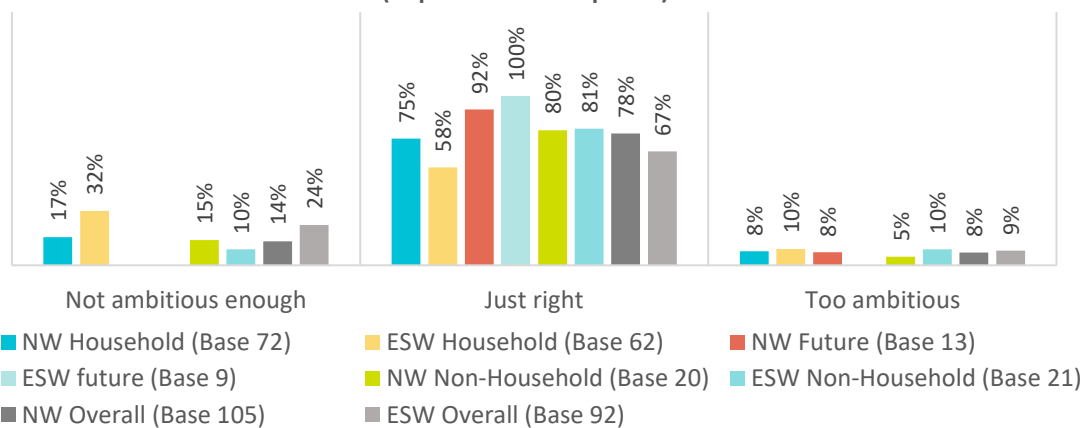
Respondents were presented with the graph below to demonstrate the historical and forecasted performance for unplanned interruptions. The graph below is the NW version, however the same figures were presented for ESW given that unplanned interruptions is a combined target.



Historic data: NWL Analysis on Ofwat Industry Data Set April 2023  
 PR19 (2022-2025): Ofwat Final Determination targets for NWL  
 PR24 (2025-2030): NWL Forecast Analysis

Following this, respondents were asked to vote on the level of ambition that had been presented to them in terms of the forecasted performance. The majority of each group found the level of ambition regarding unplanned interruptions to be just right. ESW household respondents were more likely to think the level of ambition was not ambitious enough, with 32% voting this way.

**How do you feel about NW / ESW's level of ambition they have shared (unplanned interruptions)?**



In the discussions that followed voting, being industry leading in unplanned interruptions was seen as important for several ESW respondents who shared their view. They felt this was something the company should strive for.

- *“Well, everyone wants to have the best that they can get. I've always been brought up to say, don't just be good, be better. If you're striving, you want to be the best in your field, no matter whatever it is, whether it's any sort of thing really” (Face-to-face workshop, ESW, Dagenham)*
- *“I said, don't just be good, be better. You've got to keep on keeping that level, keeping that level, and not letting it drop” (Face-to-face workshop, ESW, Dagenham)*
- *“Everybody drinks and uses water and we've just got to be able to carry on, to be able to do that. Otherwise, that would be the end of life, wouldn't it, really? To be a bit morbid” (Face-to-face workshop, ESW, Beccles)*

One ESW respondent articulated the view that the industry should not be missing targets.

- *“I think it's just alarming that there's so many not getting their target. There must be a reason for that. It needs analysing and dealing with. It's such an important feature. Yeah, anyway that's all I can say really. I don't know anything else about it” (Face-to-face workshop, ESW, Beccles)*

Another questioned how the targets are calculated, suggesting it shouldn't be based on how they usually perform.

- *“I put just right but I'm not feeling 100% with that. Only because when you compared to what they put on the graph currently, obviously they are achieving lower. When you compare, to how everyone else is doing to that other graph, it's not the same thing, I know they are doing that based on average of what they normally do. You can't just say we've done terrible but expecting to be the best next year. It doesn't work like that, but I still think they can maybe aim a bit lower to get the bar as low as possible” (Online workshop, ESW, future)*

One NW future customer articulated the view that NW should be close to the industry average with respect to meeting its own targets.

- *“I think that because I've seen that they're like below target I feel like it is important that like they do try to be industry leading because there are other companies which are reaching the target and have less water being cut off. So, I think it is important that Northumbria Water do try and improve in that aspect” (Online workshop, NW, future people panel)*

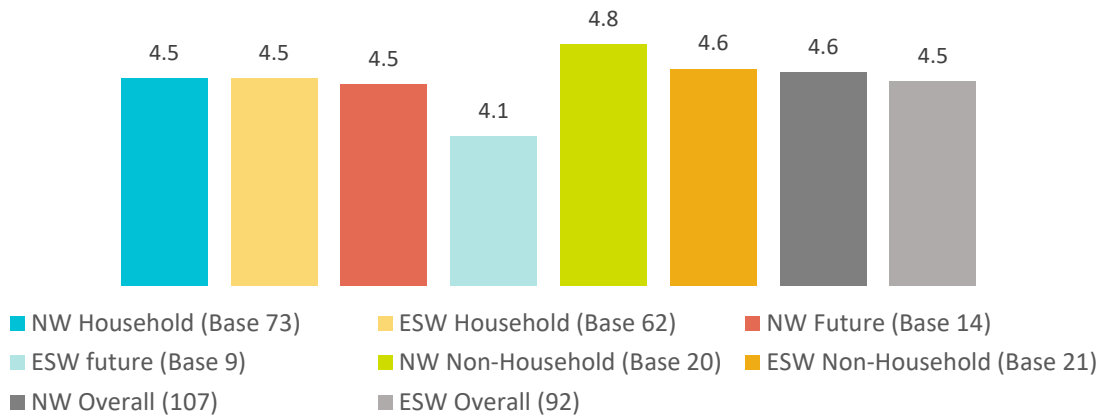




## Response to the proposal, and level of ambition detailed for the appearance, taste, and smell of tap water.

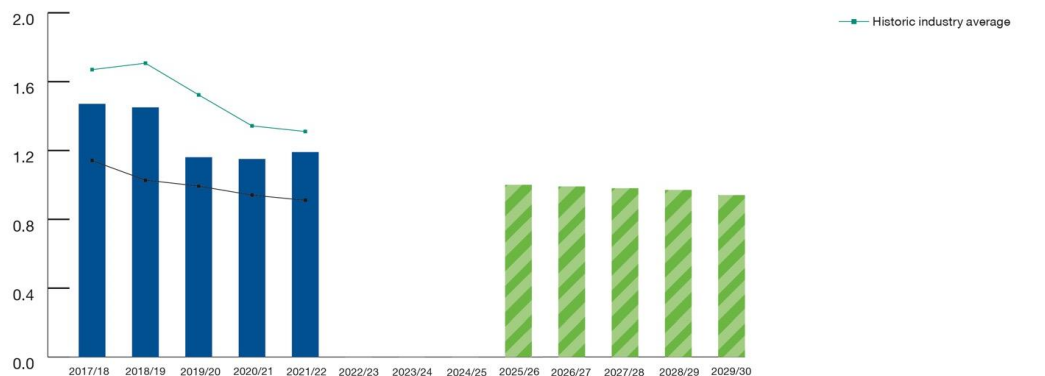
Appearance, taste, and smell of tap water was seen as slightly more important in both regions than unplanned interruptions, with a mean score of 4.6 for NW and 4.5 for ESW. Non-household respondents were most likely to think this performance commitment was important, with a mean score of 4.8 for NW and 4.6 for ESW.

On a scale of 1 to 5, where 1 is not at all important and 5 is very important, how important is it to you that NW / ESW strives to be industry leading in this area (appearance, taste and smell of tap water)? (Mean import



Respondents were presented with the graph below to demonstrate the historic and forecasted performance of NWL in relation to appearance, taste and smell customer contacts. The graph below is the NW version, however the same numbers were presented for ESW given this is a combined target.

Northumbrian Water measured on the number of customer contacts regarding the appearance, taste and smell of tap water.  
 Number of customer contacts received regarding incidents, per 1,000 properties. (A lower bar / number is better.)

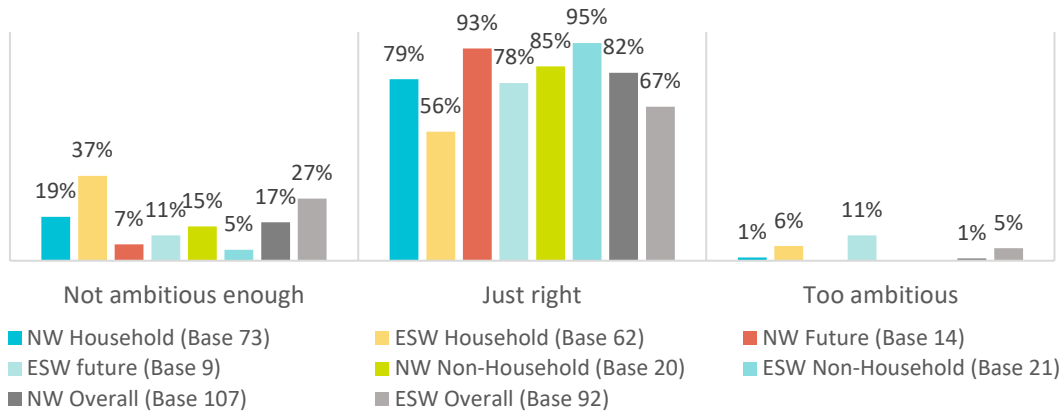


Historic data: NWL Analysis on Ofwat Industry Data Set April 2023  
 PR19 (2022-2025): Ofwat Final Determination targets for NWL  
 PR24 (2025-2030): NWL Forecast Analysis  
 Uses new DWI definition from April 2022.



The majority of respondents across each group again felt the level of ambition presented was just right, with ESW household respondents most likely to think it was not ambitious enough (37%). Agreement that the level of ambition here was ‘just right’ was higher amongst NW respondents overall (82%) compared with ESW respondents (67%).

**How do you feel about NW / ESW's level of ambition they have shared (appearance, smell and taste of tap water)?**



Maintaining good quality drinking was seen as important amongst both NW and ESW respondents, with comments made about this being the core function of a water company, the daily use and impact of water, and that having access to good quality water felt like a human right.

- *“I mean, I ultimately think that the kind of main role as a water group really is to provide water. So, if you’re not getting that right then you’re doing something pretty wrong ... For me, it’s about making that the ultimate number one. So, they need to get that right” (Online workshop, ESW, Essex)*
- *“For the first one I said that it was very important because for me I feel as though to have clean like fresh like I suppose drinkable water is for me like it feels like a human right, like that’s what it feels like.” (Online workshop, NW, future people panel)*
- *“I said five, very important, about the taste and smell of the water, that’s very, very important. I don’t drink tap water, but you do a lot of things with tap water, you bathe. So, it directly impacts you and that’s the main reason because it impacts you every single day” (Online workshop, ESW, Essex)*

Maintaining good local water quality was seen as important, with comments made about the differing quality of water across different parts of the country.

- *“I think that the taste of water is really important and something we might take for granted as well. Personally, I didn’t realize how bad water quality is when I lived in other areas and*



*came back to the northeast and realised that we probably have some of the best drinking water in the world and I think it's really important that we protect that. I think it was about right, because they always seem to be ahead of the game, and as it is I think its fine I don't really want to encourage adding more chemicals so if it's doing alright keep it as it is" (Online workshop, NW, Wear)*

- *"You can't drink it from the tap. My daughter lives [elsewhere within Essex] and she has to filter all her water. The kettle doesn't last two months, if she doesn't filter it. It's hard and doesn't taste nice. Yeah, so considering it's the same water company, it made you think, well, why? I filter but, if I didn't, it wouldn't make that much difference. She has to" (Online workshop, ESW, Essex)*

Two NW respondents (both within the Tees region) linked the perception of water quality to the sensory needs of children and others within society.

- *"I voted a five in this one ... my daughter is autistic and I know that for a lot of people like her, drinking water that might be absolutely fine but looks, smells or taste different would be completely out of the question." (Online workshop, NW, Tees)*
- *"I said just to agree with X on the first one I said it was very important almost for the same reasons. I've got children who are autistic." (Online workshop, NW, Tees)*

Similarly, one ESW respondent discussed the health effects of poor-quality water on their children.

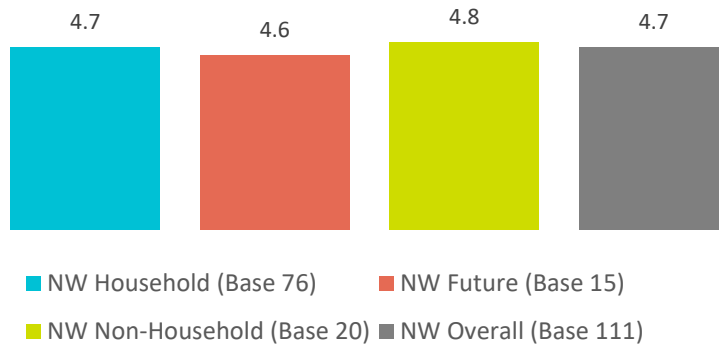
- *"You just said about somebody coming and testing the water. I have to actually ask for that. ... As soon as I moved into my property and using the water, even my skin started getting drier and things like that. My daughter obviously developed eczema." (Face-to-face workshop, ESW, Dagenham)*



## Response to the proposal, and level of ambition detailed for, internal sewer flooding.

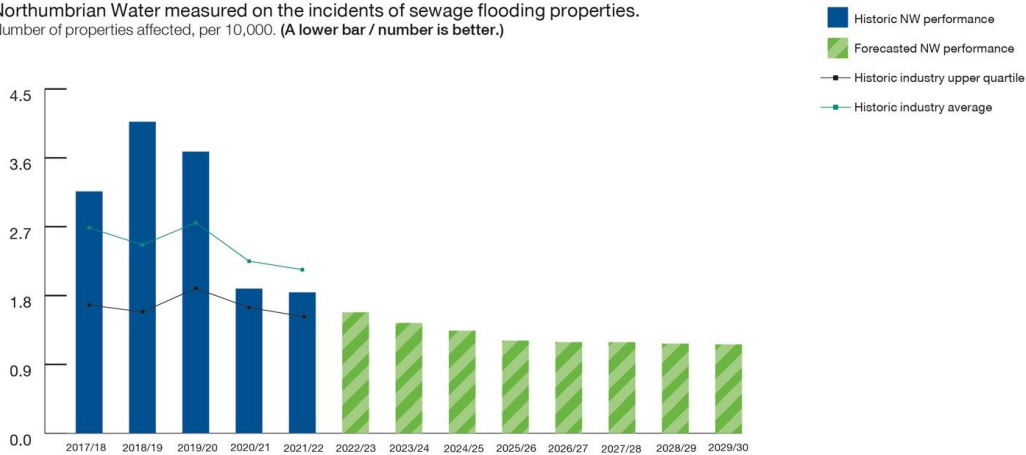
Sewage flooding inside properties was one of the two highest scoring performance commitments in terms of importance, with a score of 4.7 overall and little difference between the customer groups.

**On a scale of 1 to 5, where 1 is not at all important and 5 is very important, how important is it to you that NW strives to be industry leading in this area (internal sewer flooding)? (Mean importance)**



The graph below was shown to respondents to share historic and forecasted performance in relation to the number of incidents of sewer flooding.

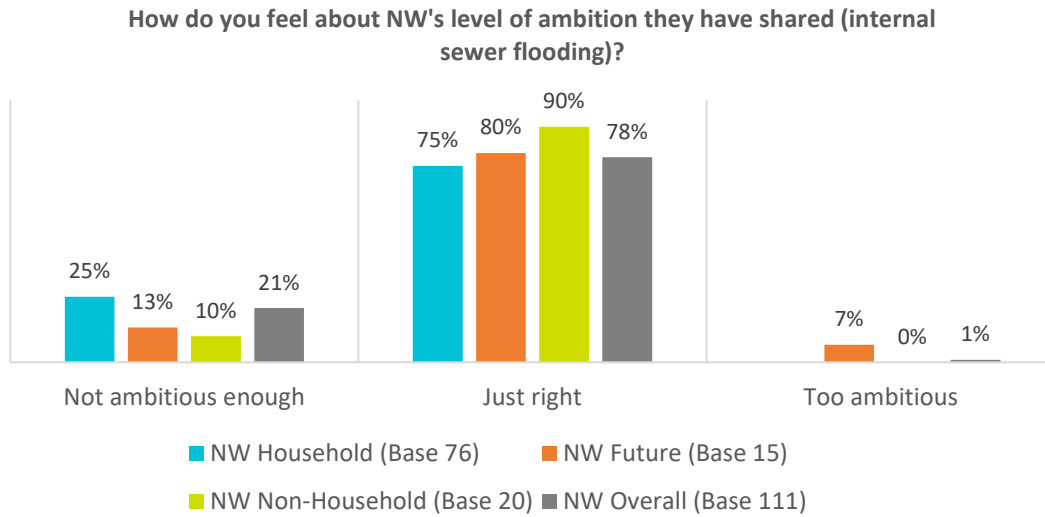
**Northumbrian Water measured on the incidents of sewage flooding properties.**  
 Number of properties affected, per 10,000. (A lower bar / number is better.)



Historic data: NWL Analysis on Ofwat Industry Data Set April 2023  
 PR19 (2022-2025): Ofwat Final Determination targets for NWL  
 PR24 (2025-2030): NWL Forecast Analysis



Thinking about NW’s level of ambition that had been presented, again the majority voted that this was ‘just right’. However, 25% of household respondents voted that it was not ambitious enough. Future customers were the only group where anyone voted that the level of ambition was too high.



Generally, across all groups, discussions related to this performance commitment reflected the severity of the impact of internal sewer flooding. For many, the outcomes were disruption and immediate health hazards.

- *“I agree with that because I think if that’s kind of going to happen like its’ taking people out of their homes and sometimes you’ve got to think about the circumstances surrounding peoples’ lives. Like sometimes that might be the only place they feel safe and the fact that something like that could ruin like that sort of safe space for them, is like it could be catastrophic.” (Online workshop, NW, future)*
- *“I think my biggest concern would be the sewage leakage. We got a flyer through the post the other day to say that in this area there have been sewage leakages in people’s houses and people are putting wipes down toilets and blockages. So, who wants that to happen in their house, that’s a pretty big concern in the area seeing as we have had flyers in the post about it as well” (Online workshop, NW, Wear)*
- *There was also concern regarding the impact that incidents may have on insurance premiums of affected customers ....So it’s important to get it down to zero or as close to zero as possible so they don’t have to replace their whole house and all their belongings” (Online workshop, NW, future)*



One respondent discussed their personal experience of internal sewer flooding, affecting their perception of its importance.

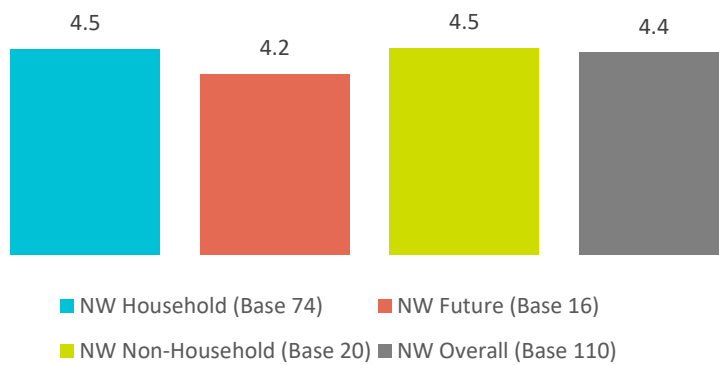
- *“I voted it was very important because sewage is a health hazard. I’ve had it before in a previous property where that’s happened and it’s just absolutely disgusting. And I can imagine the health issues surrounding that for families particularly, it’s not what you want in your house.” (Online workshop, NW, Tees)*



## Response to the proposal, and level of ambition detailed for, external sewer flooding.

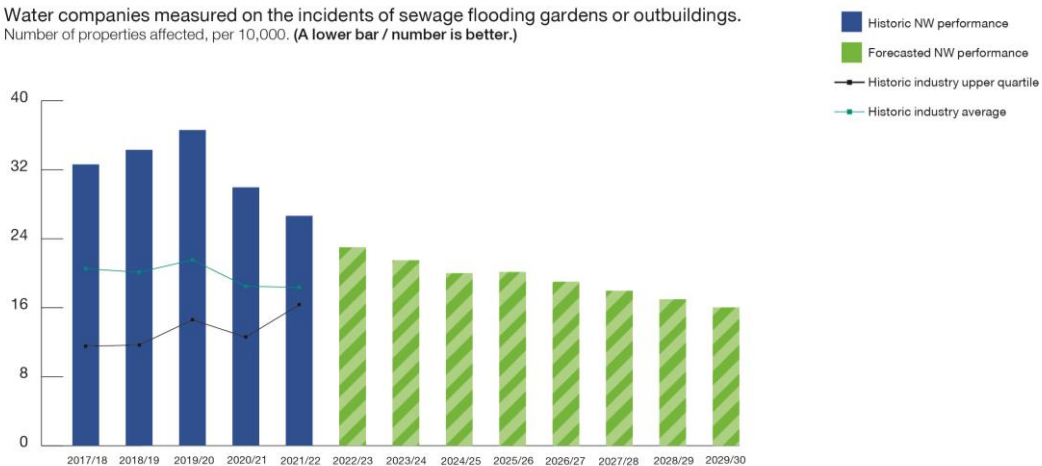
Voting revealed that external sewer flooding was considered to be less important than internal sewer flooding amongst NW respondents, with an overall mean score of 4.4 out of 5 for importance. Household and non-household respondents found this performance commitment to be slightly more important (4.5) compared with future customers (4.2).

**On a scale of 1 to 5, where 1 is not at all important and 5 is very important, how important is it to you that NW strives to be industry leading in this area (external sewer flooding)? (Mean importance)**



Respondents were presented with the graph below to share historic and forecasted performance related to external sewer flooding.

**Water companies measured on the incidents of sewage flooding gardens or outbuildings. Number of properties affected, per 10,000. (A lower bar / number is better.)**

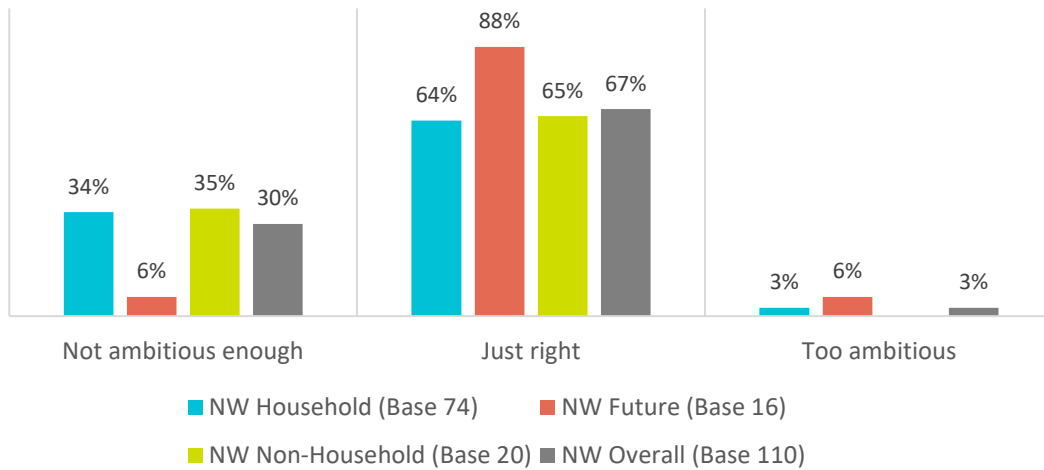


Historic data: NWL Analysis on Ofwat Industry Data Set April 2023  
 PR19 (2022-2025): Ofwat Final Determination targets for NWL  
 PR24 (2025-2030): NWL Forecast Analysis



In considering the information that had been presented, a smaller majority of respondents agreed that this level of ambition was just right compared to internal sewer flooding, with 35% of respondents overall believing it to be not ambitious enough. Non-household respondents were most likely to vote this way.

**How do you feel about NW's level of ambition they have shared (external sewer flooding)?**



In common with the view expressed regarding internal flooding, extremal sewer flooding was understood to be a health and environmental hazard.

- *“It’s like a health hazard, linking back to the health hazards. Realistically we shouldn’t have sewage outside anyone’s property or inside” (Online workshop, NW, Tees)*

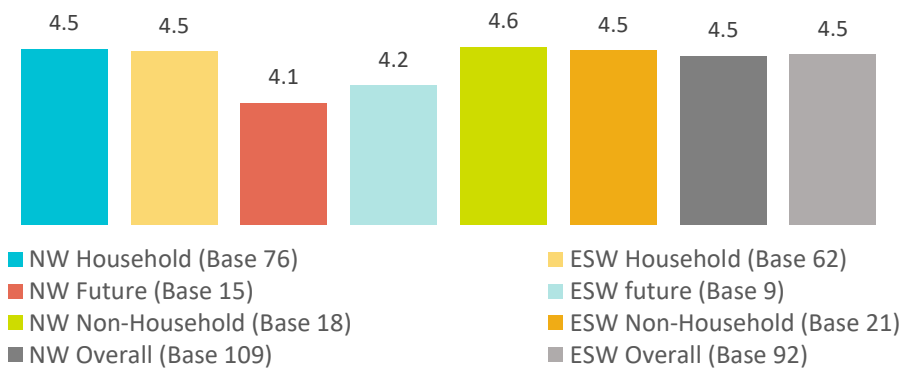




## Response to the proposal, and level of ambition detailed for, reducing leakage.

'Reducing leakage' was seen as equally important in both regions, with a mean score of 4.5 out of 5. Further, across both regions this performance commitment was less important for future customers.

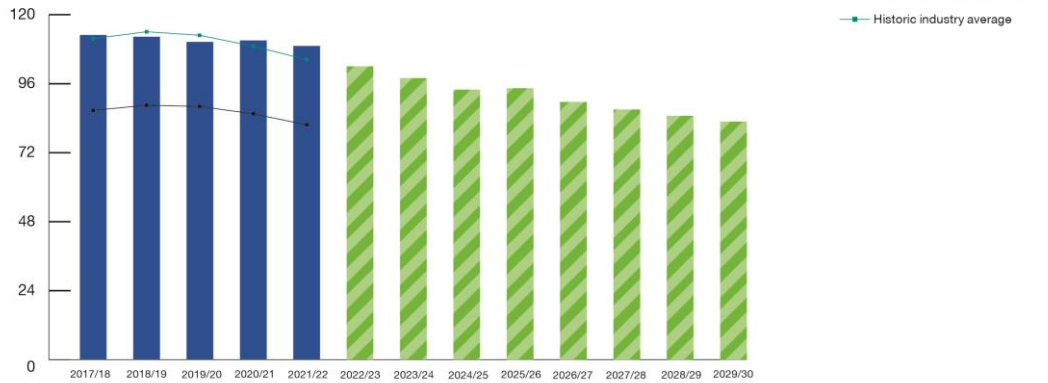
**On a scale of 1 to 5, where 1 is not at all important and 5 is very important, how important is it to you that NW / ESW strives to be industry leading in this area (reducing leaks)? (Mean importance)**



**Northumbrian Water Limited**  
**NWL Affordability and Acceptability Testing qualitative research.**  
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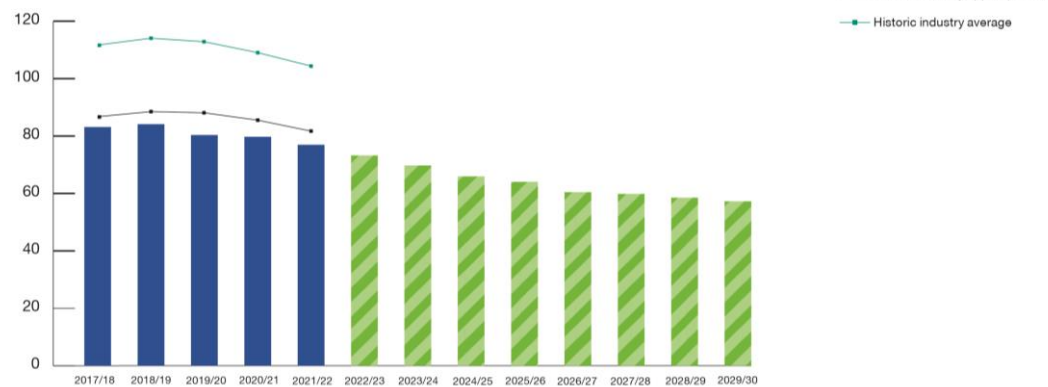
Respondents were presented with the graphs that follow to demonstrate historic and forecasted performance related to leakage. Both NW and ESW versions of the graph are shown below since each has an individual target.

**Northumbrian Water measured on the amount of water lost due to leaks from water mains and pipes.**  
Litres lost per property per day. (A lower bar / number is better.)



Historic data: NWL Analysis on Ofwat Industry Data Set April 2023  
PR19 (2022-2025): Ofwat Final Determination targets for NWL  
PR24 (2025-2030): NWL Forecast Analysis

**Essex & Suffolk Water measured on the amount of water lost due to leaks from water mains and pipes.**  
Litres lost per property per day. (A lower bar / number is better.)

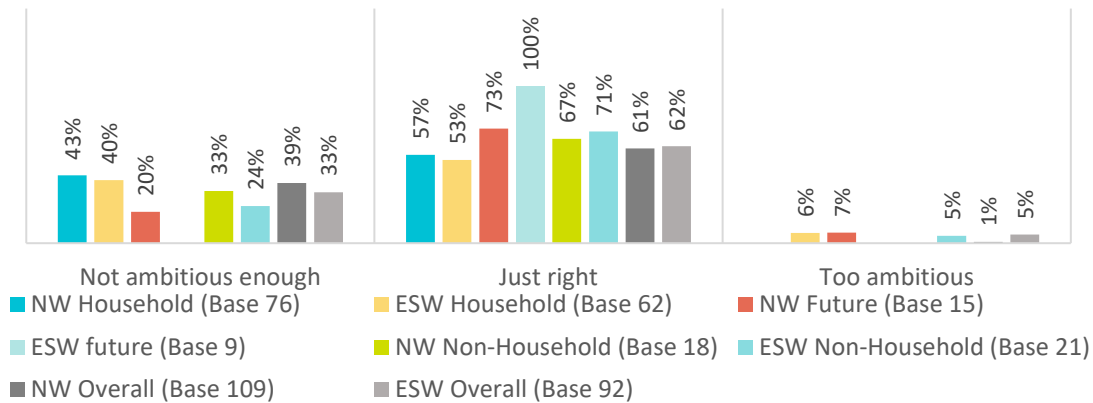


Historic data: NWL Analysis on Ofwat Industry Data Set April 2023  
PR19 (2022-2025): Ofwat Final Determination targets for NWL  
PR24 (2025-2030): NWL Forecast Analysis



Again, the majority of each group voted that that the level of ambition here was ‘just right’. However, a higher proportion voted it was ‘not ambitious enough’ compared with most of the other performance commitments, with 43% of NW and 40% ESW household respondents (respectively) voting this way.

**How do you feel about NW / ESW's level of ambition they have shared (reducing leaks)? (Base 201)**



Amongst respondents, there was a sense of shock at the volumes of water lost to leakage.

- “100 litres of water being lost a day is unimaginable really. It goes without saying that it’s not ambitious enough” (Online workshop, NW, Tees)
- “96 litres per day. I work in building services and that represents around 25% of the average use of the daily household of water, that’s a hell of a lot product to throw away. I don’t think as many industries would be happy with the 25% loss rate on the final product!” (Online workshop, NW, Tees)

Discussions in both regions concerning this performance commitment focussed on the importance of conserving water.

- “Yeah, I’m just thinking about the leakage. If they have plans to stop the leakage, that in effect is going to reduce the water consumption, which will provide the water available to everybody. That to me is very important because there is a lot of wasted water because of leaks. If there were no leaks, then there would be enough water personally” (Online workshop, ESW, Essex)
- ‘Very important to fix the leaks, isn't it? What I was saying earlier. It conserves the water, doesn't it?’ (Face-to-face workshop, ESW, Dagenham)



- *“I feel that if ESW can be industry leading in this, leakage is something that is so important. The level of ambition, I feel that you are aiming high, you can always be more ambitious in anything you do. But I feel this is defiantly an area that is important, so yeah, I feel it is important for you to be industry leading” (Online workshop, ESW, Essex)*

It was also highlighted that reducing leakage was important due to the increase in demand on water supply.

- *“I think it’s really important, obviously security of supply and leakage is really important. They need to put investment in to preserve the water supply. The population is only going to increase, and as new buildings go up, there is going to be more demand on resources. We need to do something now to preserve those resources. I can only see it as a good thing and we do need to put that investment in” (Online workshop, ESW, Essex)*

It was also suggested amongst ESW respondents that reducing leakage may have a positive impact on customer bills.

- *“Very important. I put very important and the other one I put, just right, because I still think there’s always going to be a problem with leaks because of the systems we use and changing over to the plastic pipes. We’ve still got the old properties. I don’t think they’ll ever be able to cope with them unless they do employ far more staff than they probably need. That will put the bills up even more and, for what they lose. I don’t know enough about it” (Face-to-face workshop, ESW, Beccles)*
- *“I’m surprised how much water you lose on a daily basis. If you plugged the holes perhaps you could save money on the bills you produce” (Online workshop, ESW, Suffolk)*

However, personal perception affected a minority of respondents’ views of leakage as an issue, with lack of awareness of the issue leading to a perception that this performance commitment wasn’t as important as others.

- *“I’m not aware that leaks and things are a huge issue in our area, so it feels right that they’re not aiming for you know, massive change, massive improvement because I don’t think it is necessarily something that is one of the biggest issues that we are facing. So, to me it probably feels about right to try and always strive to do a little bit better but not put huge amounts of resource in that area” (Online workshop, ESW, Suffolk people panel)*

Several respondents across the Essex groups agreed that the level of ambition within the proposed plans around water leakage were sufficient, balancing the importance of reducing water wastage with realism concerning what can be achieved in a five-year time frame.



- *“I feel this level of ambition is realistic because it is showing a steady improvement without too steep a graph. And I think if they were aiming for way more than that and not at, they probably would not achieve it. So, I would think steady improvement over a period of time, and I think it is going to be a lot of work to improve the infrastructure to reduce the leaks. So, I say a steady slope downwards is the best one” (Online workshop, ESW, Suffolk people panel)*
- *“I do, or otherwise you bury your head in the sand really and thinking about bigger problems for the future. You have to maintain; you have to attend leakage and do what you can now in the present moment. You do have to take a balanced approach as well and not go ahead of time. I think a five-year plan makes sense, and as it gets towards the end of the five-year plan you start planning for the next five years” (Online workshop, ESW, Essex)*

However, several NW respondents commented that they felt the targets weren't stretching enough.

- *“Well, I thought the internal one is by far the worst thing that can happen, I mean you don't want external flooding around your property but it's not as bad as having your house inside flooding sewage. Also, I think the target isn't ambitious enough because right at the end we are not going to be far away from the industry average is now and no doubt the other companies would have targets to bring their targets lower than what they are currently running. The water is going to be closer to the current industry average than what you hope it is going to be” (Online workshop, NW, Wear)*
- *“We made this investment, not through choice but NW, we expect to be industry leaders. And 100 litres of water being lost a day is unimaginable really. It goes without saying that it's not ambitious enough” (Online workshop, NW, Tees)*

The condition of the existing assets was raised amongst ESW respondents, and how that quality affected the ability to control leaks.

- *“I think the biggest problem is, the pipes are so old, aren't they? You're bound to get leaks, aren't you? That's the trouble. Unless you replace the whole lot, you're going to get leaks” (Face-to-face workshop, ESW, Beccles)*
- *“How much water is being lost because they're still basically using Victorian infrastructure, it hasn't been invested in for decades since the privatisation took place. The leakage is so high, they just haven't done anything with it” (Online workshop, ESW, Suffolk)*

In contrast to these views, within the Essex non-household group, concern was raised about the costs involved in reducing leakage and the difficulty in measuring the impact of any work undertaken.



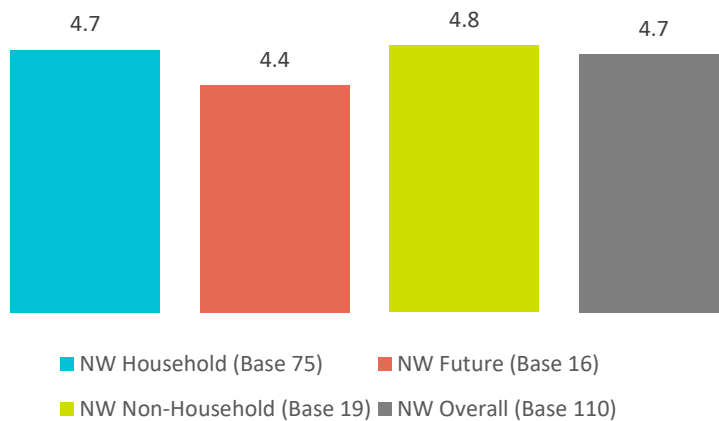
- *“I’m, personally, somewhere between the low and the medium because, some of the things, I don’t necessarily see why I should be incurring the cost. For example, installing meters is fine but that shouldn’t be a cost for me to incur, for somebody else to be put on to a smart meter. That should be somebody else’s cost to incur and some of the advice and support on water efficiency, they’re very hard things to quantify. What’s the actual return on the investment? Personally, I think, yeah, some of the core investment should be done, to reduce actual leakages but some of the other stuff, seems a little bit superfluous and I’m paying for something that it would hard to see any actual tangible benefits” (Online workshop, ESW, Essex, non-household)*



## Response to the proposal, and level of ambition detailed for, the pollution of rivers and bathing waters.

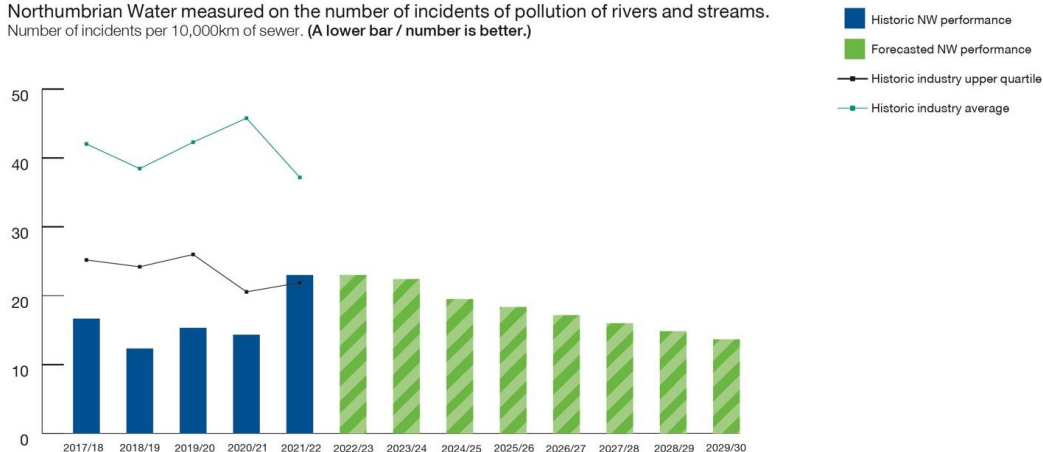
Pollution of rivers and bathing waters. The importance of this performance commitment was particularly high for non-household respondents with a score of 4.8 out of 5, and overall was one of the highest ranked commitments alongside internal sewage flooding.

**On a scale of 1 to 5, where 1 is not at all important and 5 is very important, how important is it to you that NW strives to be industry leading in this area (pollution of waters)? (Mean importance)**



The graph below was presented to respondents to share historic and forecasted performance in relation to pollution incidents.

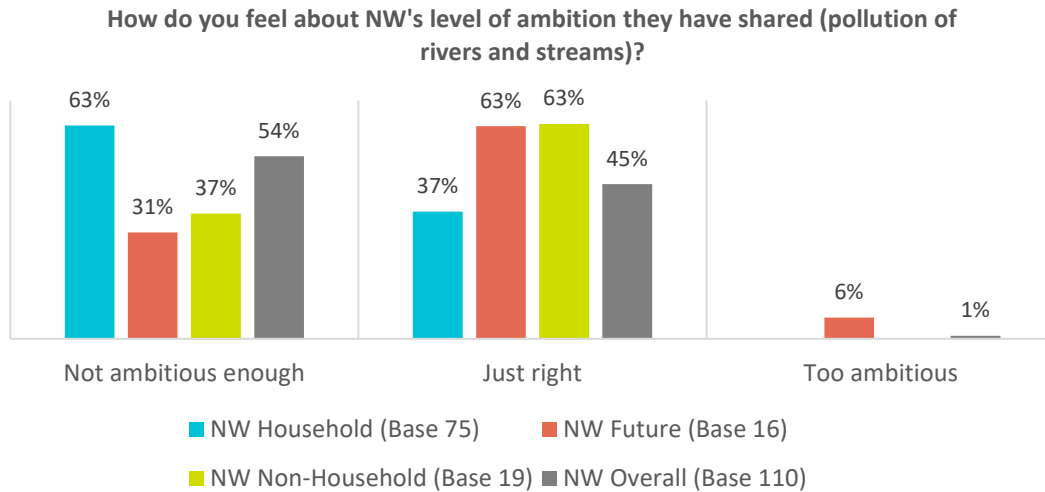
Northumbrian Water measured on the number of incidents of pollution of rivers and streams. Number of incidents per 10,000km of sewer. (A lower bar / number is better.)



Historic data: NWL Analysis on Ofwat Industry Data Set April 2023  
 PR19 (2022-2025): Ofwat Final Determination targets for NWL  
 PR24 (2025-2030): NWL Forecast Analysis



This was the only performance commitment where the majority of respondents didn't think the level of ambition that had been presented was 'just right', with 63% of NW household respondents and 54% of NW respondents overall believing it to be 'not ambitious enough'.



Discussions around this performance commitment revealed the personal impact of pollution incidents, particularly in local coastal areas.

- *“I just think about this whole sewage, this river and sea water quality ... I do have family that do a lot of paddle boarding and wild water swimming and it’s my daughter and she generally goes onto the internet to check, I don’t know the levels of pollution, whatever it is on the internet. And its quite frightening sometimes as she will say “I won’t go as its high.” (Online workshop, NW, Wear)*
- *To me, that’s really important to get our beaches back to as they should be. And that is from a selfish point of view” (Online workshop, NW, Tees)*

One respondent commented on the importance of preserving the quality of rivers and seas for future generations, along with the importance of protecting wildlife.

- *“So, again I put that it’s very important. I agree with what everyone else has said really. You know, we don’t want our seas and our rivers to be polluted, we’ve got to be responsible, haven’t we? For our children and our children’s children. We do have to be responsible and look at sustainability and our wildlife too ... I have children myself, I’m 50 and things that could have been done by my generation when we were younger and I think we do have to think about that for our children and our children’s children” (Online workshop, NW, Tees)*





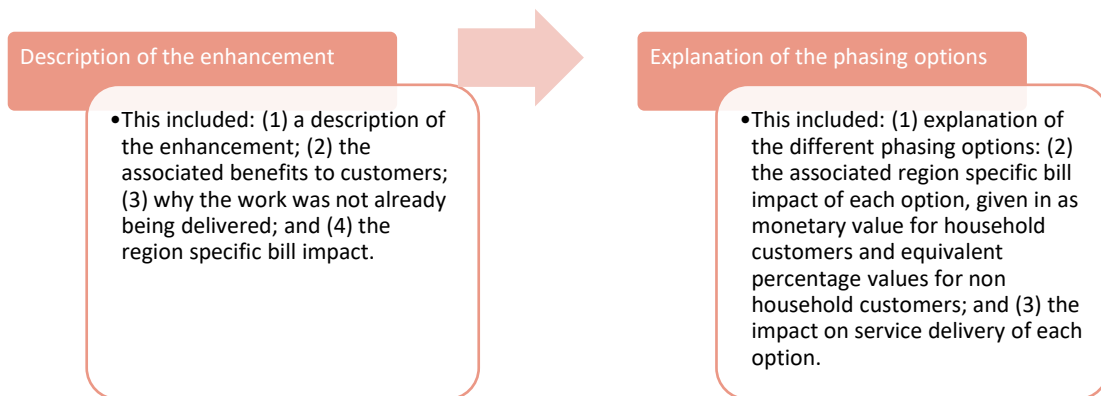
Respondents also questioned the ambition shown by NW within their projected performance for the PR24 period, challenging why this was not an improvement on performance seen in previous years.

- *“I voted that it was very important because it’s massive for me where I live because I was like X, walking along Redcar beach seeing lots of raw wastewater. It also had a massive impact on the wildlife in the sea as well. So, we saw lots of shellfish that ended up washing up on the shore. It was huge, it was really detrimental. We have some of the most beautiful beaches in the whole of the UK and they’re being destroyed by raw sewage. So, for me it’s not enough. Not enough. I understand there is going to be more storms so that could explain the higher targets but it’s still not enough. Unless they come back lower than before because I’ve never seen a year like that with the beaches and the raw sewage. It’s just not enough” (Online workshop, NW, Tees)*



## Focus on the shorter-term picture for the ‘must do’ and proposed business plans. Thoughts on the importance of each enhancement, the phasing options and service level choices of each and the impact of personas on discussions.

Respondents were presented with the following information about each enhancement.



Analysis of the discussions held about each proposed enhancement is now presented, ordered by the main questions posed to respondents within the discussions:

- How important is this area of investment to you?
- Which phasing option do you think should be taken?
- Would your answer change depending on whether you view yourself as a customer, a consumer, or a citizen?

For context, and ease of understanding, the analysis is presented alongside the phasing information given for each enhancement.



## Metering, water efficiency and leakage

The phasing options presented to NW household respondents are summarised below.

Phasing option	Low investment in 2025 to 2030	Medium investment in 2025 to 2030	High investment in 2025 to 2030 – do more now?
Description	Do nothing, push all work back	Do what is needed to stay on track for the 2050 target	Do more now and get ahead of the target
Cost in 2025-30	£0.00	£15.83 on bills by 2030 (this is what is in our plan)	£??.?? (depends how much extra)
Impact on service delivery	<p>There would be an increased risk of:</p> <ul style="list-style-type: none"> <li>• Needing new water supplies like reservoirs</li> <li>• Being forced to take too much water from rivers to supply customers.</li> </ul> <p>This option would not comply with the government requirements to reduce water demand and tackle leakage.</p>	<p>This includes giving people a choice about having a smart meter, and providing advice and support on water efficiency (for example, Northumbrian Water offers free repairs for leaking toilets).</p> <p>Northumbrian Water has chosen this option because it does not think there is a good reason to ask customers to pay to go further.</p>	<p>Northumbrian Water could go further – either by accelerating our leakage programme or installing more meters to get ahead of our targets.</p>

The equivalent information presented to ESW household respondents is below.

Phasing option	Low investment in 2025 to 2030	Medium investment in 2025 to 2030	High investment in 2025 to 2030 – do more now?
Description	Do nothing	Must do	Do more now and get ahead of the target
Cost in 2025-30	£0.00	£19.44 on bills by 2030 (this is what is in our plan)	£??.?? (depends how much extra)
Impact on service delivery	<p>There would be an increased risk of:</p> <ul style="list-style-type: none"> <li>• Needing new water supplies like reservoirs</li> <li>• Being forced to take too much water from rivers to supply customers.</li> </ul> <p>This option would not comply with the government requirements to reduce water demand and tackle leakage.</p>	<p>This includes compulsory smart meters, providing advice and support on water efficiency (for example, Essex &amp; Suffolk Water offers free repairs for leaking toilets) and reducing leakage.</p> <p>This also includes innovation to reduce water demand from businesses and agriculture.</p>	<p>Essex &amp; Suffolk Water could go further – doing more with schools to educate future customers on using water wisely, advocate for water neutral new housing developments and water reuse for businesses.</p>



## How important is this area of investment to you?

It was consistently felt amongst both NW and ESW respondents that that this represents an important area of investment, both in terms of metering and leakage reduction. Respondents referred to the importance of reducing leakage in ensuring there is a continuous supply of water for everybody, with a notable number viewing water as a vital resource that needed to be utilised wisely in the face of higher demand from population increase.

- *“I just think it’s an important investment it’s really important to minimise leaks, minimise wastage make sure there’s maximum, you know enough water for everybody. It’s better for the environment, yeah, it’s better all round. Don’t think anyone can disagree with that really” (Online workshop, NW, Northumberland & Tyne)*
- *“I think it’s really important, obviously security of supply and leakage is really important. They need to put investment in to reserve the water supply. The population is only going to increase, and as new buildings go up, there is going to be more demand for resources. We need to do something now to reserve those resources.” (Online workshop, ESW, Essex)*
- *“Yes, it’s a long-term, expensive investment but if it means the water supply is going to be continuous because just not from a business but also from a domestic point of view, a lot of people do waste water and I’ve seen a lot of businesses waste water as well” (Online workshop, ESW, non-household)*

Others also noted the negative impressions that visible leaks could have on public perceptions of NW / ESW and the need to minimise this.

- *“I think this is quite an important area because stopping the leakage has so many possible effects going on. It’s a tangible area that people understand as well” (Online workshop, NW, Northumberland & Tyne)*
- *“I don’t mind the cost of it if they mend all the pipes. I really don’t. I just think it’s what it all comes down to. Yeah, if you can see why people see water running down the road for weeks on end and they just think, what’s the point in me saving water then? They don’t care” (Online workshop, ESW, Suffolk)*



Respondents across both regions also talked about customer education regarding water efficiency as an important aspect of the introduction of universal metering. One non-household respondent challenged the efficacy of water metering unless implemented alongside education regarding water efficiency. They also argued that this education should be conducted now without the need for additional customer investment.

- *“A part of that for customers could be education, but bearing in mind, the things we use water for such as washing machine, dishwasher, whether they can be more efficient” (Online workshop, NW, Northumberland & Tyne)*
- *“It’s a big concern that if they’re banking the whole strategy on smart meters, it could be quite an investment in equipment, technology. You could spend billions of pounds giving everyone smart meters but that’s not going to change the way someone uses water in their business or domestically. It’s working with people to adjust how they manage their water, that reduces your water inflow, not just knowing how much water you are using or not.” (Online workshop, ESW, non-household)*
- *“I don’t think many people know how to save water, to be honest with you. Saving water is not just turning off your tap and sit at home or you don’t use it in your business, how efficiently you can use water, and how you can, you know, improve your water system or the plumbing system in your building or your premises. I think that’s also very important” (Online workshop, ESW, non-household)*

However, several respondents from both NW and ESW viewed reducing leakage as important but were unsure of the benefits of metering. They felt that most customers had some understanding of how to reduce water but were limited in the reductions they could make. Consequently, they felt that metering and reducing leakage should not be considered within the same investment, or that return on investment would be too difficult to quantify.

- *“Some of the things, I don’t necessarily see why I should be incurring the cost. For example, installing meters is fine but that shouldn’t be a cost for me to incur, for somebody else to be put on to a smart meter. That should be somebody else’s cost to incur and some of the advice and support on water efficiency, they’re very hard things to quantify. What’s the actual return on the investment? Personally, I think, yeah, some of the core investment should be done, to reduce actual leakages but some of the other stuff, seems a little bit superfluous and I’m paying for something that it would hard to see any actual tangible benefits” (Online workshop, NW, non-household)*



- *“But this thing in the home, I'd be curious as to how much extra that's going to cost because smart metering of water doesn't make sense to me at all. I understand it from a gas electricity point of view, and we've all been through these things in the last few years about not filling your kettle up or using an air fryer instead of putting on your oven and stuff like that. But at the end of the day, if I need a glass of water, I don't let it just run for hours. And if I need a bath, I fill it. I don't overflow. So, the concept of saving water in that way just doesn't make sense to me.” (Online workshop, NW, Wear)*
- *“I couldn't do anything about a water meter anyway because I can't tell students not to go to the toilet. From a business point of view, it wouldn't really make much difference. I mean, I would probably put advice posters up, just like, 'have you thought about how much water you use?... From my point of view, I couldn't stop anything, I couldn't stop people going to the toilet, so I couldn't do anything with that” (Online workshop, NW, non-household)*

In contrast, several NW respondents singled out metering as an important way to encourage consumers to become more efficient in their use of water. One respondent noted that this could be a way to help customers minimise the impact of the wider bill increases that will be experienced during the PR24 period.

- *“I'd be happy to have a smart meter, it would be a great idea to see our water usage and be more educated about ways we can cut down our own water use” (Online workshop, NW, Northumberland & Tyne)*
- *“It might help people obviously reduce their bill which you know they are going to put bills up quite a lot. You know you do have the option of using less water if you are on a meter. I'm currently not on a meter so my bill would just go up and there would be nothing I can do; it doesn't matter how much water I use. I do think that that could be helpful for some people as well” (Online workshop, NW, Northumberland & Tyne)*
- *“I think advice on water efficiency is a really good idea because we've had it for gas and electric etc., haven't we with the increase? I don't think people don't think about water at all in that respect. So, I think that sounds good” (Online workshop, NW, non-household)*

In line with acknowledging the importance of water efficiency, one ESW respondent questioned what other measures could be put in place to help households reduce water consumption.

- *“I'm also quite interested in the question of people being encouraged to use less water. I think there is a target for how much water people should use. I would be interested to know how much the average person uses now and how much they will be asked to use in the future. What measures can be taken because it seems to me in my own home, there is a lot*



*of perfectly good wastewater that goes completely away ... We don't seem to have that ability to divert the water, the wastewater we have got that is still clean enough to use and use that for other purposes." (Online workshop, ESW, Essex)*

Some factors underpinning the importance of this bill enhancement were expressed only by respondents from the NW region. For a notable number of respondents, the environmental impact of water wastage was paramount in their reasoning, while others discussed the financial benefits to customers of reducing wastage through leakage.

- *"The environment, that's what it's all about, the environment" (Face-to-face workshop, NW, Eston)*
- *"Ultimately, I think it's really important because if we can cut down the leakages, then you can cut down on the bills... I think it is an important investment and ultimately can bring down the costs, at a time when we're all spending a lot of money. I do think it's an important investment point" (Online workshop, NW, Tees)*

Additionally, a notable number of NW respondents articulated a sense of frustration that what they perceived to be a long-standing issue appeared to be only now coming to the fore as a NW priority.

- *"This was one of the things I was surprised at, leaks in this day and age are still a big issue. It has been around for donkeys' years and wondering why this hasn't been addressed more quickly" (Online workshop, NW, Northumberland & Tyne)*

Finally, there was also a challenge posed by respondents that encouraging customers to reduce consumption in the face of an inevitable bill rise seemed counterintuitive.

- *"I just said that you know, the writing on the chart says that the average bill of £303 is what the bills would need to be, and I thought that it goes off our usage. So, as a customer we want our bills to be less, but it seems as though for the investment and the plan to go ahead that Essex and Suffolk need a certain amount regardless. You know, so it seems a little bit, not pointless in keeping our usage down but our bills are going to rise anyway" (Online workshop, ESW, Suffolk people panel)*

## Which phasing option do you think NW / ESW should take?

Many respondents opted for the medium phasing option as they felt that, whilst this was an important area of investment, there were others that were more important. Further, several felt that the need



for water efficiency was less important in the NW region than in other parts of the country, as this is not a water stressed area and thus did not opt for the higher phasing option on this basis.

- *“I don’t think it’s as important as other ones, but I still find it’s a great way for us to find out how much water we use so we are not using excess. I do find it a little important but not as important as others” (Online workshop, NW, future)*
- *“I think my preference would be medium investment and the reason behind that is there are some other higher priorities I would like to see investment in. I wouldn’t like money diverted from that, I think we have good resources within the region. We are lucky to have Kielder which is one of the largest over capacity reservoir for the population we have as far as I currently understand it” (Online workshop, NW, Northumberland & Tyne)*

There was also a sense that the middle phasing option was satisfactory because it would ensure that NW / ESW was compliant with Government targets.

- *“Because I think staying on track with the targets is right and as long as we are complying with government requirements it should be fine, or I think it would be fine” (Online workshop, NW futures)*
- *I do agree with what the others have said, I think it is an important area. I would favour taking the middle approach, I don’t think we should go beyond and burden people unnecessarily. There needs to be a shared cost over time. We do need to keep paying for this and not let the situation get worse so there is increased leakage. It makes sufficient investment in stopping leaks. (Online workshop, ESW, Essex)*

When thinking about which phasing option they preferred, bill affordability was important to these discussions across both regions, with respondents aware that phasing would influence the final bill prices.

- *“I think you’re better off... the medium one sounds most attractive to me. You don’t want to stick your head in the sand and not do anything, because that would just cause more problems, but likewise, we don’t want to be spending a fortune on stuff. Personally, for me, this is very important, but it’s probably not top of the tree, you know what I mean?” (Online workshop, NW, Tees)*
- *“I think you’ve also got to be reasonable, as well. I mean, obviously with the cost of living, as much as there is an issue that needs to be invested in, we need to be realistic about how much people would reasonably be able to add to their bill. So, I think going in the middle sees both of those issues” (Online workshop, NW, Tees)*





Further, discussions around the higher phasing option often centered on the lack of information about the associated bill impacts. Respondents felt this made it difficult to choose this phasing option.

- *“Say for example the high investment for 2025 to 2030 was only £20 say, I would say let’s go for the high investment, but because it doesn’t have a figure attached to it it’s really hard to differentiate whether the high investment is worth it or not ... it’s definitely going to be the middle one but that’s only because we can quantify it. If there was a figure there, then I would be torn between the two to be fair” (Online workshop, ESW, ESW)*
- *“I thought the medium plan was probably better. Because I’m thinking, like, more from an economic perspective, I think it’s kind of better to deal with the problems that you know, that are there, that you can kind of sort out immediately, before throwing money at things that are not necessarily guaranteed big problems, and then, like kind of not having the money to sort out what’s in front of you at the time” (Online workshop, ESW, future)*
- *“...I’d be concerned that they couldn’t put something specific on the 3<sup>rd</sup> one it’s all a bit vague and still leaning towards the middle one and the last one well we don’t want people to go for that one, so we’ll be vague and the last one doesn’t tell me anything really like where do my checks go” (Online workshop, NW, People Panel)*

NW non-household respondents also reflected on the lack of certainty within the higher phasing option. Whilst acknowledging the importance of this investment area, they did not feel able to opt for a phasing option that did not give a definite value for bill impact as this made business planning much more challenging.

- *“For me, it would be, let’s know what’s going on. For me, I would go for the medium investment because then I would know and I could factor into my own business that it’s going to cost me approximately 4.3% on bills by 2030” (Online workshop, NW, non-household)*
- *“Without any investment you’re not going to reach any targets, are you? It’s probably going to cost more in the future if you do nothing now, that’s the way I see it ... . For me, I would rather know or at least have an idea of what’s likely to happen rather than have no idea at all... None of us know what inflation is going to be, none of us do. We’ve got to try and put a mid-term plan in place between now and 2030 or 2025-2030. And in fact, our own businesses, whichever one you choose” (Online workshop, NW, non-household)*

Additionally, one future ESW respondent felt that the emphasis on education to induce behaviour change with relation to water use within the higher investment made that option less likely to be successful.



- *“I was looking at the ideas they put forward for the highest investment one, and I didn't think they were that much different to the middle one. And a lot of it was, like, education based, and I don't know how effective that would be, but the middle one, which is like actually implementing things in people's houses, could be quite an effective tool.” (Online workshop, ESW, future)*

However, a notable number of ESW non-household respondents opted for the higher investment option. Reasons for this varied, some argued for the need to invest more now to minimise the need for future investment. Others felt it important to ensure the Ofwat targets are met, even if there is any shortfall in delivering the proposed plan. One respondent felt that higher investment would hasten the pace of work, and ultimately, lead to bill reductions through increasing water efficiency.

- *“I agree with everyone else; it should be sooner rather than later. The third box is where I am thinking because like I said last week, I think we should be doing as much as we can to keep bills as low as we can for the majority, because everyone is struggling, and some people are struggling a lot at the moment. Anything we can do not to increase the bills is good” (Online workshop, ESW, Essex)*
- *“Yeah, I'd like to do the high investment to get ahead of it and reason being, every plan that everyone ever has on these sorts of things they find it always things go wrong, that they can't anticipate. So, by just doing the bare minimum on a moderate amount, you're always going to fall short because something always happens along the way. But if you like, be more ambitious and get ahead of the curve that will wipe out any sort of thing that goes wrong, because you'll still be having other things working in your favour” (Online workshop, ESW, non-household)*
- *“I agree I'd go for the high investment. You don't want to go for the low investment because you're going to end up getting fined because you're not hitting the government minimum targets. If you go for the high investment, obviously, you're going to get what's in the medium one as well as what's in the high one. And it just seems for me, I don't know about other people, but a water bill to me. I don't even think of it... So even if it was like 10% or 15%, it'd be worth it because you're getting ahead of the curve” (Online workshop, ESW, non-household)*



## Would your answer change depending upon the customer / consumer / citizen viewpoint?

A notable number of NW respondents felt that situating themselves as customer, consumer, or citizen would not have impacted their thoughts regarding this enhancement. They argued that it represented business efficiencies and, as such, made common sense from all perspectives. Similarly, a notable number of ESW respondents felt they couldn't differentiate between the different personas.

- *“For me it is a case of whether you are the customer, consumer, or a business. It's a case of you got to get the best money out of what they provide and the best efficiency of the system” (Online workshop, NW, Northumberland & Tyne)*
- *“As regards to the customers, consumer, and citizen, I regard myself as all three. I pay the bill, I use the service and I'm concerned about the environment and where I live, it all matters I think” (Online workshop, ESW, Essex people panel)*

However, others felt that viewing this investment through the eyes of citizen would mean that they would push for higher investment, reflecting the environmental importance of water conservation. However, thinking as a consumer or customer forced them to be more aware of cost implications and therefore vote for medium levels of investment.

- *“Yes, it does. If you think of yourself as a citizen and moving forward with global warming, to do more would be better, wouldn't it be? If you think of it that you are a custodian, and water is a precious commodity, moving forward we can't do low investment because that's not complicit with government requirements. Medium investment is good because of the cost-of-living crisis and the expectation that not everyone will be able to fund a higher investment. But ideally it would be better to highly invest now, to plan for the future. So, looking at it through a different lens, at the moment, for me, medium investment is best but ideally high investment would be better” (Online workshop, NW, Tees)*
- *“I think it's basically if money was no object you would go for the high investment” (Online workshop, NW, people panel)*
- *“I think if you're a customer then you're obviously going to want like the one that's going to cost the least but when you think of yourself as a consumer then like you want to be having like, you want to be receiving a good service, so you're obviously going to want more value for what you're paying for” (Online workshop, future people panel)*



## Storm overflows

The phasing information shown to NW household respondents regarding this enhancement is shown below.

Phasing option	Low investment in 2025 to 2030	Medium investment in 2025 to 2030	High investment in 2025 to 2030 – do more now?
Description	Included in must do plan.	Included in proposed plan.	Going further
Cost in 2025-30	£20.92 on bills by 2030 £48.44 on bills by 2035	£33.33 on bills by 2030 £50.76 on bills by 2035	£50.76 on bills by 2030
Impact on service delivery	Tackles 160 out of 310 storm overflows – excludes more difficult storm overflows, which means fewer improvements at bathing waters.  Mostly engineering solutions like concrete tanks.	Tackles 160 out of 310 storm overflows – including more difficult storm overflows, and half the bathing waters.  Converts 50 projects to green solutions like ponds to store the excess water.	Tackles 310 storm overflows – i.e. everything Northumbrian Water must do by 2035, and all bathing waters.  Converts 50 projects to green solutions like ponds to store the excess water.

## How important is this area of investment to you?

This area of investment was felt to be of paramount importance by household respondents. Underpinning this was a sense of the environmental importance of minimising storm overflow spills.

- *“As I said last week this is one of my main areas of concern. To me it’s an all or nothing thing. Basically, we’ve got some of the best rivers in the country, but we need to maintain them and reduce pollution. To me to only tackle some of them and leave the others up to 2035 still allows the pollution to go into the rivers.” (Online workshop, NW, Northumberland & Tyne)*
- *“We’re quite big environmentalists, here, so, for us, storm overflow, especially when it’s looking at pollution, is quite a big deal, as well as the cost then that is involved with trying to clean the aftermath of a storm overflow, so, yes, very important, here” (Online workshop, NW, Tees)*
- *“I feel like this is really important to me. Because they’re not to do the absolute most on this means they’re actively deciding to pollute water. Like everything, all the other things that they do is, as a response to a situation like they’ll respond to fix things will they’ll respond to a leak, but this is them deciding to pollute water. Like, for me, it’s a really important one.*



*Because if they don't do it, what they're saying is, it's okay for us to pollute this water”  
(Online workshop, NW, non-household)*

Further, a notable number of respondents noted their strong desire to ensure clean bathing waters in the region and avoid any potential public health impacts from pollution incidents caused by storm overflow spills.

- *“The village near where I am... I looked on the website... we had sewage flowing into it for thirty days, non-stop, last year ... I had no idea, so knowing that, and knowing that my little one might want to go and paddle in that river come the summer, that makes it a high priority for me, and fifty quid seems expensive, but it's still a small price to pay for health” (Online workshop, NW, Tees)*
- *“Now I'm in agreement on that, mainly because of experiencing open water swimming with kids. We're supposed to be having these things clean, not raw sewage. It's got to be the utmost. It's got to be done for this. This is extremely important” (Online workshop, NW, non-household)*

## Which phasing option do you think NW should take?

The importance placed on this investment by household respondents was mirrored in their decisions in phasing options, with the higher phasing option often preferred.

- *“I have to say definitely the high investment. The notion that as consumers we are harming the environment, bearing in mind we are talking about raw sewage which is a public health risk which cannot be justified” (Online workshop, NW, Northumberland & Tyne)*
- *“For me, I think the high investment option would be the better one to go for. I mean, it's seventeen pounds more than the medium investment one, but basically, the project's going to be five years faster.” (Online workshop, NW, Wear)*
- *“This is something that I would like to see big changes in, from NW, and I would be prepared to pay a high investment cost for this.” (Online workshop, NW, Tees)*

Several noted the potential benefit to future generations of addressing the reduction in storm overflow use as quickly as possible. For this reason, they were willing to accept the bill impact associated with the higher investment option.

- *“Even if you think about it, we're looking at it and you're thinking, oh, that's per month. It's all for a year. Even if we add everything up and it's £100 a year, it's only £10 a month. What*



*can you buy nowadays for ten pound a month and yet you're protecting the future?" (Face-to-face workshop, NW, Hetton)*

- *"It's only just under a pound a week. It's nothing, nothing. If the future is safeguarded. I don't think that's unreasonable at all. What do you think?" (Face-to-face workshop, NW, Eston)*
- *"I appreciate it's another £12 but I think again the last conversation new talked about not leaving the future customers a larger bill and in this breath that's what we'd be doing, that infrastructure which will need replacing a lot further on and a lot quicker and a lot more expensive than if we just paid it now" (Online workshop, NW, NW people panel)*

However, it is important to acknowledge that there was some challenge regarding how this investment should be funded. The high bill impact involved, and the statutory nature of the targets, led several to question the role of NW and the Government in financing the work.

- *"I think you can offset that by a reduction in terms of the dividend payments and the payments to chief executives. If you have a comparative reduction in those payments out of the system, then you can make the investment in what the water companies should be doing in the first place and they haven't been doing" (Online workshop, NW, Northumberland & Tyne)*
- *"It's something that the government has suddenly woken up to but it's been going on for years. We are being stung for it but are there other parts of government that can offer funding for that or is this equally this going to be with the business sector as well or something purely on us? We have to look at the high investment" (Online workshop, NW, Northumberland & Tyne)*
- *"I think I would actually go with high on this one, because I do think it is important. But once again, I think companies should put some of their money in, but I also think the government should be putting their money in as well, because we don't seem to get a lot of government support up here. So, I think we should go with high, and I'm a big believer that we should have safe bathing waters. But it's just how its funded, is the problem to me. But I'd definitely go with high" (Online workshop, NW, Wear)*

A less commonly held view was that the bill impact associated with the higher investment was not affordable and, consequently, NW should pursue the middle phasing option.

- *"Yeah, call me a cynic but I think, looking at where they are, something has to be done. For people that live on the coast, this must be an awful situation for storm overflows, but I think this is probably one of the points that it's the most obvious one, when things go wrong and it's the one that creates the most negativity for the water companies because you've got*



*effluent and poo running out into the rivers and seas. I'd hate to think that they were going to stick fifty pound on everyone's bill to do them all in one go" (Online workshop, NW, Tees)*

- *"I would favor the medium investment just because although it's a larger bill, it's sort of staggered out, whilst the higher investment might be going further. But I think in this day in age with the cost of living, I think £50 jump ultimately like that jump, is just way too much at least medium investments staggers it out and at the same time it is more focused on green solutions, so actually I'd favor the medium investment" (Online workshop, NW, future)*

The long-term nature of the work required to reduce the use of storm overflows, i.e., the fact that work being required beyond the PR24 period, led to some nuances in the phasing discussions held by respondents. For several, there was a sense of conflict between the high bill impacts associated with the cost of the investment and its perceived importance. For these respondents, a compromise was to opt for the medium phasing option in the PR24 period as long as there were reassurances of higher investment in subsequent periods.

- *"Yeah, I do think it is important but I'm just not sure it's you know the best for everyone to be putting such a high investment in right now .. I think people are really feeling the pinch at the moment and inflation is really high right now. We hope that will be more under control in 7 years' time and people can maybe afford it a little bit more" (Online workshop, NW, Northumberland & Tyne)*

For several others, there was concern that the higher phasing option was not realistic and if targets were not met in the PR24 period, customers would be required to pay the required bill increases plus a further higher value for work not yet carried out.

- *"I think it's very important. But I would think that the middle one there, tackle's one hundred and sixty, three hundred and ten is more realistic because it must be a massive task. And for NW to tackle three hundred and ten by 2030, same time scale, it's going to employ a lot more planning and thought going into it. You've got to tackle what's realistic and possibly the middle one there" (Face-to-face workshop, NW, Hetton)*
- *"I think it's great having a plan to say that they're going to do that in the next five years, but they've got to have some kind of guarantee that they are actually going to be able to hit that. You know, if it was agreed that we would pay the higher level now, we don't want in five years' time, for them to come and say, 'you have to pay the higher level again" (Online workshop, NW, Wear)*
- *"I think I would probably go with the higher level and pay the money now and get it all sorted by 2030. But I agree with what X said. What guarantee do you have if by 2030 they haven't*



*done what they said they're going to do and haven't accomplished and got to the end goal? Is it then going to carry on another five years, when we thought it was going to be finished by 2030? It's difficult because you want a guarantee that if you're paying the higher rate to get it done in that amount of time, you want it guaranteed that at the end of 2030 it's finished and it's not going to carry on and on and you have to keep paying" (Online workshop, NW, Wear)*

## Would your answer change depending upon the customer / consumer / citizen viewpoint?

Views were mixed amongst respondents. For a notable number, thinking like a citizen was driving their decision to state this investment was a high priority and that the higher phasing option should be taken.

- *"Yeah, I would say more citizens than anything else. Realistically, as a business owner or even speaking as a homeowner, I wouldn't want my bill going up that much. But from an eco-point of view or from an environmental point view, it's really important that we look after the planet, isn't it?" (Online workshop, NW, non-household)*

For others, their opinions on the high importance of tackling storm overflows were consistent from all viewpoints.

- *"Yeah, as a consumer and as a customer, I'd be more inclined to try and bite the bullet and do what I had to do, because the short-term plan just looks like putting a plaster over a gunshot wound. The second plan, it's good, but again, it's like a half measure, but you're going to end up paying the same amount anyways, so you would hope to see that these things would reflect in the bills further down the line, because it's more efficient, it's more environmentally friendly, so therefore, you should be saving money and that should be reflected on the customer's bills" (Face-to-face workshop, NW, Hexham)*





## Improvements to asset health

The phasing information regarding this investment shown to NW household respondents is summarised below.

Phasing option	Low investment in 2025 to 2030	Medium investment in 2025 to 2030 - 'must do'	High investment in 2025 to 2030 – do more now?
<b>Description</b>	Do nothing over and above usual expenditure	Do what is needed to in order to maintain service levels until 2030	Invest more now to tackle potential future problems
<b>Cost in 2025-30</b>	£0.00	£6.24 on bills by 2030 (in must do and proposed plans)	£11.41 on bills by 2030
<b>Impact on service delivery</b>	<p>Risk of more pollution incidents and supply interruptions – as there is less resilience at treatment works and treated water reservoirs.</p> <p>Risk of deteriorating water quality.</p> <p>Likely to cost more to do in later years.</p>	<p>Fewer pollution incidents and supply interruptions – with fewer failures and more resilience to unexpected events.</p> <p>Northumbrian Water can afford to tackle more risks to water quality.</p>	<p>Increase Northumbrian Water's replacement rate of water mains and sewers.</p> <p>But this impact is mostly longer term.</p>

The equivalent information shown to ESW household respondents is below.

Phasing option	Low investment in 2025 to 2030	Medium investment in 2025 to 2030 - 'must do'	High investment in 2025 to 2030 – do more now?
<b>Description</b>	Do nothing over and above usual expenditure	Do what is needed to in order to maintain service levels until 2030	Invest more now to tackle potential future problems
<b>Cost in 2025-30</b>	£0.00	£5.48 on bills by 2030 (in must do and proposed plans)	£9.01 on bills by 2030
<b>Impact on service delivery</b>	<p>Risk of more supply interruptions – as there is less resilience at treatment works and treated water reservoirs.</p> <p>Risk of deteriorating water quality.</p> <p>Likely to cost more to do in later years.</p>	<p>Fewer supply interruptions – with fewer failures and more resilience to unexpected events.</p> <p>Essex &amp; Suffolk Water can afford to tackle more risks to water quality.</p>	<p>Increase Essex &amp; Suffolk Water's replacement rate of water mains.</p> <p>But this impact is mostly longer term.</p>



## How important is this area of investment to you?

The maintenance of assets, and thus ensuring a reliable service, was seen as a fundamental responsibility of NW / ESW and therefore of high importance for respondents across both regions.

- *“I’m a little bit sorry that it hasn’t really been regarded as a significant priority up to now and money’s not been dedicated to it, but it’s an essential. You can’t do without it. These plant systems are the core of the water network, and they need to be invested in” (Online workshop, NW, Tees)*
- *“For me, it’s the most important point out of all the three we discussed. I’m actually surprised why it’s only £6 per person, in 2050” (Online workshop, NW, ESL)*
- *“I agree but I think this slide is more important than the last slide I think to upkeep the things like X said that is delivering the water and maintaining them I think is far more important than outing smart meters in and spending money educating people about water.” (Online workshop, ESW, Suffolk)*

Additionally, non-household respondents noted the particularly high importance of reliable, high quality water supply to businesses.

- *“Yeah, it definitely makes a difference because, if you’re without water in your house for a few hours, you can get by but within your business, it can potentially lead to loss of earnings, which can have an impact on the rest of the month. So definitely” (Online workshop, ESW, non-household)*
- *I’d say probably the key word, sentence that stood out was deteriorating water quality. Because I work in the food industry, food business, hospitality industry, the last thing I want is bad water. Having lived in different places in the UK maybe I’m biased, but I do think the North East has some of the best drinking tap water (Online workshop, NW, non-household)*

It was suggested across both regions that the maintenance or replacement of infrastructure was something that made good business sense, and therefore this investment was likely to be something that appealed to the business sector.

- *“I think the fact that they are going to be replacing infrastructure, I think a lot of companies are going to be like, oh yeah, great idea. And my firm that would be the same. They would be like, it’s a great opportunity, it’s not worth us missing out on this if it’s going to save costs and it’s going to increase the infrastructure for the community in the long-term. And that’s what you need to think about, it’s not just the business, who are going to be impacted, is*



*going to be people as well, and I think is just having that kind of investment there, even though it's only 1.7%, it's going to really make a big difference" (In-depth interview, NW, non-household)*

- *"Because I think ESW is a business and whatever is good for the business, you will do it. Kind of priority is a good investment. You're not going to invest if it's a bad investment. If it's good you will do it, you know and you will find the money for it" (Online workshop, ESW, Essex)*

NW respondents also noted that the provision of a reliable water and wastewater service was something that would impact all customers, in comparison to others that would impact some customers more than others (for example, storm overflows).

- *"I do think that it's easier to say 'yes' to something that's a lower cost, than something that's a higher cost. Especially if it's impacting your household as opposed to the previous one in which you're paying a higher amount but you're not actually seeing the pipework or anything like that" (Online workshop, NW, Wear)*

For several ESW respondents, this was an important investment as it offered the opportunity to build a reliable and robust water supply system for future generations.

- *"We've got to think, we're handing this earth over to our children, grandchildren in the future. So, whatever decisions we make now, will impact them. Slowly and surely, it will impact them. So, it would be the middle two for myself. So, the medium and the high investment, that would be myself." (Online workshop, ESW, Essex people panel)*

Notably, there was also challenge regarding the funding model that Ofwat have in place for regular funding of water and wastewater companies to allow asset maintenance or replacement.

- *"I was going to say, that at the beginning, that is a fault of Ofwat in the first place it is kind of rewarding the over-spenders, isn't it? If you've spent a lot in the past, they think you need more. If you have been prudent and not spend too much, you aren't getting going forward which is stupid." (Online workshop, ESW, Essex)*

There were also questions about how ESW have managed finances, there was an expectation that profits could have been reduced in previous years to allow for an ongoing, more extensive, programme of asset maintenance.

- *"I'd hope there's more transparency from the company because, with any business, if you knew all your assets were going to need replacing, at the same time, they've obviously known about this for a while, surely you should have declared less profit and set that money*



*aside to replace it? Are we effectively paying for their bad management of their own asset control?" (Online workshop, ESW, non-household)*

## Which phasing option do you think NW / ESW should take?

A notable number of respondents noted that they were satisfied that the medium phasing option would enable their water company to meet statutory obligations. It was felt that anything above this was not necessary and would put a further burden on customers by increasing bills further.

- *"said I think medium investment would be sufficient, or at least I would expect it to be. When you look at the information from 'low', and it says, 'if you do nothing over and above then the risk of pollution incidents increases', and I can see why, because there's deterioration in the infrastructure that we already have. For me, putting a little bit more money into it in the 'medium investment' column should bring that down a little bit. It should not only maintain the level but start to show a bit of improvement, so I wouldn't expect us to need to venture into the 'high investment' column, for this one" (Online workshop, NW, Tees)*
- *"I think it's about a middle approach, you don't want to overburden people too much, but you can't afford not to do some of these things especially if they are all breaking at the same time" (Online workshop, ESW, Essex)*
- *"I'd go for the middle option as it seems like it's ticking all the boxes. 1.7% looks a lot better than some of the percentage increases I've seen... My business set it really struggling at the minutes and I'm thinking a lot more savvily and the middle option might not cover every single thing, but it doesn't look too different to the most expensive one" (Online workshop, NW, non-household)*

One ESW respondent felt the middle phasing option was the most appropriate because the slower pace of improvement work would enable the opportunity to introduce innovation and new technologies as they emerged.

- *"My thinking is this, if you go ahead upfront, it'll save you the time, every day we are coming up with new technologies that might be very, very efficient ... I would personally go for the medium investment to be on time to be on track, but not really to be happen and go ahead of time just because of this" (Online workshop, ESW, Essex people panel)*

However, reflecting the commonly held views that this was an area of high importance, a notable number of respondents felt that the higher phasing option was most appropriate.



- *“For a small amount extra, you’re going to pay for the high, you might as well go for the higher. It seems such a small amount compared to what other authorities are charging, it seems ridiculous to go for the lower really” (Online workshop, ESW, Suffolk)*
- *“But then I think to stop this happening again in another five or ten years for the sake of an extra £3 something maybe we should make a higher investment here ... I feel a bit torn that I don’t want to pay any more money on my water bill but for the difference in price here assuming that I do think it’s probably quite important because everything stems back to the equipment- the delivery, the leakage it all comes back to the assets so I do think I would be in the let’s pay another £3 for high investment in this area” (Online workshop, ESW, Suffolk)*
- *“Well, the main reason I’m keen on the higher investment is the difference in the annual bill is negligible. So, between eleven forty-one and six twenty-four is not much at all” (Online workshop, NW, Wear)*

A further perceived advantage of the higher option, identified across both regions, was a belief that maximising asset replacement and repair in the PR24 period would reduce costs in the long-term.

- *“I think it’s important. Just by looking at the low investment one, that’s got no increase, at the bottom it says, likely to cost more to do in later years. They’re not ruling it out that it’s never going to have to be done. You might as well pay, now, because, years down the line, it could cost more than what they’re predicting at the moment. For me, I would go the high investment because my business does rely on water. I wouldn’t want to miss out on trading in the event of something going wrong. I would rather pay the 3.7% increase and let them crack on because it’s going to have to happen, at some point. Why not do it now?” (Online workshop, ESW, non-household)*
- *“I think the same. I think if it is going to need more investment in the long run, and it could potentially be more than the higher one originally is, then it’s probably just easier to spend the money in the first place.” (Online workshop, ESW, future)*
- *“As I said I would do high and that was because looking at it, I would rather be ahead and replace as soon as it was needed. You know, rather that if everything collapsed at once we would be really struggling” (Online workshop, NW, Northumberland & Tyne)*

It was also suggested that the higher option would be preferred as these improvements to assets would benefit future generations.

- *“I would be very happy to go for the highest investment. Because again it improves the quality of the water and for the future generations as well... So, if we can pay more, get better investment for ourselves currently and for the future I think it’s a win for everybody. I*



*mean again, if it translates to better quality water, I think it's definitely worth it" (Online workshop, ESW, Essex)*

- *"I think I would probably go for the higher investment for that long-term impact, obviously the lower option, the £6, is a must do so that has to be done ...I appreciate it's another £12 but I think again the last conversation new talked about not leaving the future customers a larger bill and in this breath that's what we'd be doing." (Online workshop, NW, NW people panel)*
- *"Get it done now and then when it comes to it, they can have a better period of time when if anything goes, they can fix it without rushing, like you said, nine percent of it needs doing now. Well, if that nine percent needs doing now, why the hell not do it?" (Face-to-face, NW, Eston)*

Several NW respondents, however, felt that the lack of information provided about the benefits associated with the higher investment made choosing that option very difficult.

- *"I do love to say yeah. Yeah, it's important it feels very much like the guidance on the grid there is guiding us to the middle, because the information in the third column like with the last one is quite vague then you've got the negative implication at the end, but the benefits will be longer term. It sounds like we've been guided to the middle, but I think to be honest I think I would be happy with that anyway" (Online workshop, NW, Northumberland & Tyne)*
- *"I would stick with the medium investment again on this, I just think because of the high investment although it is going to be you see the benefits in the future, it's sort of you are paying more to not see the benefits until the future. Whereas I think £6.24 is a bit more reasonable to see the benefits sort of now and today basically. And I think just because of how important it is to not have any disruption to water supplies as well, that's why I would go for medium investment" (Online workshop, NW, future)*

## Would your answer change depending upon the customer / consumer / citizen viewpoint?

Mirroring conversations held within other investments, many respondents felt that viewing this investment as a citizen would result in them choosing the higher investment option because of the wider societal benefits.

- *"Probably as a citizen I would go for the higher investment, I think. Just thinking of the longer-term impact and benefit to the society" (Online workshop, NW, Northumberland & Tyne)*



However, one ESW respondent noted that all three personas would have vested interest in this area of investment.

- *“It overlaps. Because it's sort of like, everyone kind of wins if you invest in this area” (Online workshop, ESW, future)*



## Investment to tackle regional flooding

The relevant phasing information shown to NW household respondents is shown below.

Phasing option	Low investment in 2025 to 2030 – ‘must do’	Medium investment in 2025 to 2030 – ‘preferred plan’
Description	Do nothing	Work with the Northumbrian Integrated Drainage Partnership (including the Environment Agency and local authorities) to tackle flooding issues across our region together.
Cost in 2025-30	£0.00 on bills by 2030	£2.28 on bills by 2030
Impact on service delivery	2,400 properties still affected by sewer flooding and none of the other benefits realised.  £2.28 on bills by 2035 still required in 2030-35 to tackle sewer flooding issues).	2,400 properties no longer at risk of sewer flooding  Wider flooding schemes delivered in partnership with local authorities, leading to: lower flood risk, storm overflow reductions, habitat creation and water quality improvements.  £65m from others, including government, invested in the north east.

### How important is this area of investment to you?

Respondents felt that this investment area was of high importance. For many, they were strongly in favour of the investment’s benefits of the partnership work within the NW Integrated Drainage Partnership. They also noted both the low bill impact associated with this investment and the relatively high impact of not addressing flooding.

- *“This reflects what we have already said, 2400 properties at risk of sewer flooding. It is a public health risk and really can’t be tolerated in this day and age. What this does show, and it’s quite refreshing, is the liaison with other groups” (Online workshop, NW, Northumberland & Tyne)*
- *“Yeah, I think the same thing there’s no choice really it is either nothing or what looks like a really good deal working with other people is the way to go forward. So, yeah medium” (Online workshop, NW, Northumberland & Tyne)*
- *“It’s probably one of the more important in fairness because it’s such a small amount, but at the same time your protecting houses could have £1,000 pounds of damage on each one, protecting basically animals and the environment. I think it’s one of the major ones, and for such a small amount you are guaranteeing a lot of people and areas will be a lot safer” (Online workshop, NW, futures)*





Others felt that the high importance of this investment was underpinned by the impact of climate change, with flooding likely to be an increasing problem in the near future. One respondent also specifically highlighted the need to invest for future generations.

- *“I think the fact they’re aware of it now, and they’ve identified that there could be potential problems because climate change is a big thing, at the minute. We’re getting more floods, then ever before, across the world. I think the fact they’ve already said they want to collaborate with other local authorities and Environment Agencies, to start addressing things like that now.” (In-depth interview, NW, non-household)*
- *‘We need to be investing that sort of money for the future, my children and grandchildren, we’ve got to invest for the future.’*

## Which phasing option do you think NW should take?

Many respondents opted for the medium phasing option, noting favourably the relatively low bill impact of this choice and the highly beneficial impact of the investment.

- *“...I think like for this one it’s the difference to peoples bills I mean its £2.50 a year is like 4p a week or something you would never feel that difference rather than £50 across the year especially with other bills going up I think you would notice that a bit more” (Online workshop, NW, Northumberland & Tyne)*
- *“Yes, I think we should definitely go with the medium one. I’ve personally benefited from them improving the system, in our street the house has maybe flooded five times. They put bigger pipes in and nothing since then. I’ve seen what it does, and I’ve seen the benefit of it, so definitely” (Online workshop, NW, Wear)*

One non-household respondent noted that they appreciated the long-term infrastructure improvements that would be involved with this investment, feeling that this should appeal particularly to the business sector.

- *“I think my business would embrace it, I’d be willing to spend the extra money to have the infrastructure for long-term and I think that’s what a lot of businesses should think about. They shouldn’t be living in the here and now, they should be forecasting for the next five or 10 years” (In-depth interview, NW, non-household)*

They also noted the benefits of the added investment through the partnership working that this phasing option would ensure.



- *“I’d just back up X. It’s got to be medium, because it’s daft not to. We won’t get that other sixty-five million, so... yes” (Online workshop, NW, Tees)*
- *“To me it’s a no-brainer. If that much investment is getting thrown at it and we’re not paying directly then it doesn’t affect our bills other than the 0.6%. It’s 100 mile an hour, yeah absolutely. Do the medium investment” (Online workshop, NW, non-household)*

In contrast, the relatively low bill impact, combined with the high importance of flooding, led a notable number of respondents to suggest that they would be willing to consider a higher level of investment to accelerate the work.

- *“I’m just really conscious that house insurance costs, the moment you’ve had a flood and all the replacement and the distress and these things tends to happen at Christmas and New Year. Maybe it is something that NW want to think about and maybe ramp up a little bit the investment and do it a bit quicker, just so we don’t see those news articles on the TV” (Online workshop, NW, Tees)*

## Would your answer change depending upon the customer / consumer / citizen viewpoint?

For a notable number of respondents, their choice would not be impacted by the viewpoint taken. They felt that the potential impacts of flooding were so great that all three positions would be equally as concerning.

- *“I’d like to think this is one that everyone would probably agree on. No matter which hat you wear, this seems like a ‘no brainer’” (Online workshop, NW, Tees)*

However, for others not impacted by flooding previously, it was viewing this investment as a citizen that was leading them to opt for a medium phasing option, thinking about the benefit to the community more broadly. When thinking about themselves as the customer (the bill payer) they would be more likely to have chosen the low phasing option since they had not been directly impacted by flooding themselves and so the feeling was they would receive less personal benefit from the investment.

- *“I think we’ve got to stand up and be good citizens here. It is terrible if you are one of those 2400 properties if you are at risk of sewer flooding, the fact that we’re going to get investment from other sources I think it’s a responsible thing to do. It’s not a huge amount 0.6% but it looks good to me for the medium investment” (Online workshop, NW, non-household)*



- *“We don’t suffer from flooding but I would still go medium because of the fact that if I did suffer from flooding I’d want other people to vouch on my behalf for that” (Online workshop, NW, non-household)*
- *“For flooding and something like that, you think as a citizen because nobody likes to see anybody else as flooded. If you're not flooded, you think great. But when you see the devastation it causes, you feel sorry for them. Think that you've lived in a house for years and all of a sudden, in ten minutes, it's wiped out because the water's gone through it and the house cost a fortune” (Face-to-face workshop, NW, Hetton)*



## Resilience – climate change adaptation

The relevant phasing information shown to NW household respondents is below.

Phasing option	Low investment in 2025 to 2030	Medium investment in 2025 to 2030	High investment in 2025 to 2030 – do more now?
Description	Do nothing	Make investment as per the proposed plan	Go further and tackle more potential risks
Cost in 2025-30	£0.00 now £11.26 on bills by 2035	£5.63 on bills by 2030 Another £5.63 by 2035	£11.26 on bills by 2030
Impact on service delivery	<p>More supply interruptions, especially in extreme weather events.</p> <p>More pollution incidents, especially in extreme weather events.</p> <p>Potential for new supply interruptions in hot weather where this can affect backup plans to treat water.</p>	<p>Fewer supply interruptions and pollution incidents, as there would be sufficient back-up power and protection from flooding.</p> <p>Treatment works and pumping stations would be protected for the foreseeable future (based on current expectations for climate change).</p> <p>The immediate impacts of hot weather would be addressed, so no new risks to supply interruptions or other service failures.</p>	<p>In addition to the medium investment, Northumbrian Water could invest tackling algae and increasing treatment capability. Northumbrian Water doesn't think this is needed yet, and would not have much immediate impact on service.</p> <p>However, investing now could protect water supplies if the impact of climate change is faster than expected.</p>

The equivalent information shown to ESW household respondents is below.

Phasing option	Low investment in 2025 to 2030	Medium investment in 2025 to 2030	High investment in 2025 to 2030 – do more now?
Description	Do nothing	Make investment as per the proposed plan	Go further and tackle more potential risks
Cost in 2025-30	£0.00 now	£4.59 on bills by 2030	£9.18 on bills by 2030
Impact on service delivery	<p>More supply interruptions, especially in extreme weather events.</p> <p>Potential for new supply interruptions in hot weather where this can affect backup plans to treat water.</p>	<p>Fewer supply interruptions, as there would be sufficient back-up power.</p> <p>Treatment works and pumping stations would be protected for the foreseeable future (based on current expectations for climate change).</p> <p>The immediate impacts of hot weather would be addressed, so no new risks to supply interruptions or other service failures.</p>	<p>In addition to the medium investment, Essex &amp; Suffolk Water could invest tackling algae and increasing treatment capability. Essex &amp; Suffolk Water doesn't think this is needed yet, and would not have much immediate impact on service.</p> <p>However, investing now could protect water supplies if the impact of climate change is faster than expected.</p>



## How important is this area of investment to you?

There was a lack of consensus amongst respondents within both regions regarding the perceived importance of this investment. A notable number felt confident that protecting assets against the impacts of climate change was necessary and important.

- *“I think this is really important because- it’s a shame this session isn’t taking place after the mini-heatwave that’s going to be coming in a week’s time because I think people’s perspectives would change on this. Because we know we’re getting hotter summers, less rainfall, all these climate change things that have been happening over the last 20 odd years, they’re going to continue and they’re going to get worse” (Online workshop, ESW, Essex)*
- *“I think this is the most important one that we’ve done this afternoon. I think a lot of the problems we have at the moment have been caused by doing exactly what we’ve got in the lower investment column, there, by doing nothing. I think it’s been denied and not talked about enough.” (Online workshop, NW, Tees)*
- *“Very important again... God only knows what will happen in the future. The treatment plants need protection. The investment has got to be put in to do that. And it doesn't come at the cost of nothing” (Face-to-face workshop, NW, Hetton)*

In line with this, several ESW respondents felt that the importance of this investment lay in the benefit to future generations.

- *“It’s the kids, isn’t it? It’s our kids. Or not even necessarily our kids, it’s whoever you know. Their kids and those who are growing up, and they’re going to have to face it.” (Face-to-face workshop, ESW, Dagenham)*
- *“I am open to going down the high investment route, for the protection of future generations, to know that they wouldn’t be hit with the bigger bills later on and I think I’m purely saying this because the increase in this particular aspect is lower. Had it been where it’s slightly higher, then I probably wouldn’t be as willing to go for the high investment, now” (Online workshop, ESW, non-household)*
- *“We’ve got to think, we’re handing this earth over to our children, grandchildren in the future. So, whatever decisions we make now, will impact them. Slowly and surely, it will impact them. So, it would be the middle two for myself. So, the medium and the high investment, that would be myself” (Online workshop, ESW, Essex people panel)*

One non-household NW respondent referenced the importance of reliable water supply to businesses as a factor influencing the high importance of this investment for them.



- *“I think it’s very important because, obviously like I say, having free running water is very important. It doesn’t just impact a business, it impacts staffing and obviously if you then add issues where your staff weren’t able to work, you know I think that in turn would have a bigger downfall. So, I think that definitely is a priority and something that we would be more than happy to take the increase with” (In-depth interview, NW, non-household)*

For a minority from both regions, the investment seemed less important than others as a consequence of uncertainty and skepticism regarding the impact of climate change.

- *“I’m personally kind of echoing what has been said, I think this is my lowest priority and I kind of feel like would that money be better off spent elsewhere in the other investment such as pipes and reducing leakage and getting that sorted first as opposed to, like everyone said we are not really sure what the impact is going to be on climate change and that sort of stuff. I would probably go down the route of investing that elsewhere at first once we the proper plan in place” (Online workshop, ESW, Essex)*
- *“So, it’s like, do I really want to spend this much extra a year, as little as it may seem to other people, on something that I don’t believe is a massive risk” (Face-to-face workshop, NW, Hexham)*
- *“A lot of people swallow a lot of what’s in the media about climate change. But modelling for climate change is actually done on 30 years, not five years. And there’s a lot of conjecture out there as to what’s going to happen with the environment. A lot of people are going for climate change, it’s a right common thing but personally as a Christian, I don’t believe in it and have different views” (Online workshop, NW, non-household)*

This sense of scepticism was particularly apparent amongst the ESL group, who referenced the more extreme temperatures routinely experienced in Ukraine as reasons to feel uncertain surrounding the impact of climate change within the UK specifically.

- *“British people, “oh it’s so hot, everywhere” ... Hot? It’s warm! Please God, it’s warm. It’s not hot! It’s just difficult the difference because we used to have much hotter summers ... Yeah, so actually, I need a better investigation, here. What type of actions? Why we need it now or maybe, as X said, we need to invest in future research, rather than doing something that we clearly do not understand.” (Face-to-face workshop, NW, ESL)*

Notably, there was some challenge from several respondents to NW and ESW articulating this investment as a newly identified issue. They felt that the potential impacts of climate change have been understood for a long time and, consequently, this issue should have been addressed earlier.



- *“I was, in your introductory slide there I was really shocked by that statement. If that is being put forth by NW that is a complete untruth and should be retracted as nonsense. The statement that this is a newly identified issue is utter nonsense.” (Online workshop, NW, Northumberland & Tyne)*
- *“I think, for me, I’m surprised it isn’t already being done. Climate change isn’t a new thing, we’ve known about it for however long. I’m really surprised it wasn’t in the existing plan. If it needs to be done, it needs to be done. I’m on one of the higher bills but it’s one of them things. I’m just so shocked it’s not been already in them” (Online workshop, NW, Tees)*
- *“I think it’s important I’m quite shocked really that it’s considered that extreme weather or climate change is a new issue. I think it’s been an important area for 30 years it’s been fairly obvious that the climate is changing, extreme weather events are becoming more common, but I’m just surprised at the language used in saying it’s a new issue as it has been considered to be important before now” (Online workshop, ESW, Suffolk)*

There was also a lack of clarity for several NW respondents surrounding the specificity of the benefits arising from this investment. For example, it was felt that improvements in security of water quality and supply were already assured within other investments that they had discussed.

- *“To be honest, I don’t know about this one. When you showed the benefits, it was water supply and quality of water I believe. With the other plans we’ve seen they are also tackling those points. If we are investing in improving that on other areas, I’m a bit hesitant on this one.” (Online workshop, ESW, Essex)*
- *“I think the other things that have been discussed are more important and all those other bits should by design have climate change adaptations as part of them so replacing equipment and stuff should be modern new technology that should be climate change friendly it’s such an obvious thing that should be happening anyway within the organisation that it shouldn’t have to be an extra investment” (Online workshop, ESW, Suffolk)*

## Which phasing option do you think NW / ESW should take?

A minority of respondents across both regions felt that the higher phasing option was necessary, as they felt that the impact of climate change was certain and that this option provided a greater sense of reassurance that assets would be protected.

- *“The high investment, it has to be a high investment. Everything you are talking about has been overlooked for too long, it has already been commented. Because of what happened*



*with the protests, and now is very much in the public eye. It is something that has to be addressed when it should have been addressed years ago” (Online workshop, NW, Northumberland & Tyne)*

- *“I think I would rather pay a little bit more now if I was a bill payer to sort of have better outcomes especially again. It’s what I talked about before with the extreme weather, it’s more and more likely especially in years to come. It takes a lot more investment than just medium, so I would agree and go with the higher investment” (Online workshop, NW, future)*
- *“I think we’ve been stuck with the other issues. It’s been something that’s been taken out of our control. I think this one is one that we’ve actually got some control over. And would it be not... like prevention is better than cure. It gives us a chance to get ahead of ourselves. Then if things do go better than what we thought, champion, it’s done. If it doesn’t, we’re not playing catch up” (Face-to-face workshop, NW, Hetton)*

In contrast, it was more commonly felt that they would opt for the medium level of investment as respondents were confident in NW / ESW’s statement that they didn’t feel the higher level of investment was necessary yet.

- *“Well, I mean I said go high all the way through so far, but it’s just saying there that NW doesn’t think this is needed just yet and would not have much immediate impact on the services. So, until it does have impact on the services, I’d go medium, but it wouldn’t bother me if we had to go to high” (Face-to-face workshop, NW, Eston)*
- *“Because ESW don’t think that the high investment is needed at this moment in time, I’m just going to go with the middle investment because that’s the one they’ve kind of worked out and said, yeah, this is what we need for now. Otherwise, I would go for the high investment but because they’ve said they don’t think it’s worth it at the moment, that’s the only reason I haven’t gone high” (Online workshop, ESW, Essex)*
- *“Yeah, I would rule out the high investment because they’ve put it themselves that, they don’t think this is needed yet and would not have much immediate impact on the service. They’re basically saying, it’s not needed. Why are we going to pay more, to invest in something that they are saying, isn’t needed, yet? I think it’s a bit pointless, especially with the cost-of-living crisis, at the moment” (Online workshop, ESW, non-household)*

Interestingly, the choice for the medium phasing option was made despite acknowledging the relatively low bill impact of this investment. Respondents ranked it against the perceived higher importance of other investments and / or the overall bill increases that would be incurred.





- *“I’d go for medium because when you add it in to all the other things everything is high investment and sometimes you’ve got to juggle a bit and you can’t have it all in the high” (Online workshop, ESW, Suffolk)*
- *“At the moment, it would be medium. It’s just increase, increase, increase. If I was on a better income, I wouldn’t necessarily say, I’d go with the high investment because I put such a great importance on water, but it all depends on any allowance the water bill’s going to make to low income people because other things are going up. It isn’t only the water, it’s everything, isn’t it? From a money point of view, I have to say, medium, but I would dearly love to say, high investment” (Face-to-face workshop, ESW, Beccles)*
- *“I think for me it would be the middle one because as much as the thought of things in the high investment sound good I feel like it’s a little bit too much all in like one go, if that makes sense? I feel that people would start to kind of, not complain, but I feel like they would start to not be happy with the water company and at the moment I feel as though NW’s got kind of a good rep with their customers” (Online workshop, NW, future people panel)*

Several NW respondents also voiced concern around the lack of certainty in predictions over the impact of climate change. They felt that if the impact was lesser than expected, a higher level of investment would incur wasted money. They therefore felt undecided between the low and medium phasing options.

- *“My view on this is, all these slides are asking people to pay a lot more money on the bills and asking people to pay more money on the bills for something that is not a definite here. This isn’t a legal pay that we know about or things like that. This is a projection. Completely rules out the high one for me because it’s even doing suppositions there. Even the medium term, I’m not too sure about.” (Online workshop, NW, Wear)*
- *“I’d go for the medium one. They’ve got to protect their assets haven’t they? And the reason I’d go for the medium one, in fact I’m swaying with the low cost one, purely because in five years’ time, we don’t know what it’s going to be. This is a prediction that climate scientists have come up with and it may not happen” (Online workshop, NW, Wear)*

Reflecting on the uncertainty over the impact of climate change, one ESW respondent stated that they would appreciate the option to be able to increase funding with time, as it became clearer what the impact is, while another suggested pushing the investments back to see what impact the other investments may have.

- *“At the moment it would be the medium one which is the best option for us. But if there are any future plans later and they say to us, we need to do a high investment because we need*



*to make it better or to think about the future, then I would automatically think, yes, we go for the higher investment because of this and that.” (Online workshop, ESW, Essex)*

- *“Perhaps push this one further back and see what impact the other increases have because they do tackle the same issues, so push this one back” (Online workshop, ESW, Essex)*

## Would your answer change depending upon the customer / consumer / citizen viewpoint?

A notable number of NW respondents felt that climate change, and the subsequent impacts, were more concerning when viewed through the eyes of a citizen.

- *“I guess in relation to that question, if I’m just thinking about it as a citizen like I would actually change my view because I think ... I think as a citizen compared with just a consumer, I think obviously you are very concerned about climate change so that changes, definitely” (Online workshop, NW, Northumberland & Tyne)*
- *“As a customer, I’d say low. But as a citizen I’d say medium. That’s the dilemma” (Online workshop, NW, Wear)*
- *“I’m quite torn because if I put my business head on- from a very selfish perspective, the lower investment seems that- however, I do agree with what a lot of people have been saying that there should be some common goal that we’re all working towards, rather than being individualistic” (Online workshop, NW, non-household)*

In contrast, a notable number of respondents felt that their opinion did not change according to viewpoint.

- *“I was going to say, as a customer and a citizen, I think I’d be okay with either one, like, medium or high. I think, obviously, high would be the better option. And I would be happy with that price. But I think if they went with the medium, it wouldn’t be the end of the world, I don’t think.” (Online workshop, NW, future)*
- *“If NW themselves are pointing out that they don’t feel that the additional things are needed yet, there are so many areas that we’ve talked about previously where it absolutely is needed, and that money would be better suited. As long as something is being done, which I very much feel that it is, on the ‘medium’ investment, then I don’t see why my opinion would change, no matter which hat I was wearing” (Online workshop, NW, Tees)*



## Water supply options

The phasing information for this enhancement shown to ESW household respondents is below.

Phasing option	Low investment in 2025 to 2030	Medium investment in 2025 to 2030	High investment in 2025 to 2030 – do more now?
Description	Do nothing and push everything back	Must do	Do more now and get ahead of the target
Cost in 2025-30	£0.00 now	£22.26 on bills by 2030	£?.?? (depends how much extra)
Impact on service delivery	<p>There would be an increased risk of interruption to supply by 2032, damage caused by taking too much water from rivers and increased leakage.</p> <p>This would not be acceptable to the Environment Agency, and Essex &amp; Suffolk Water would breach the law by doing this.</p>	<p>Reduced risk of interruption to supply to meet water demand for 2032 and beyond while continuing to protect the environment.</p>	<p>Essex &amp; Suffolk Water are currently designing a new reservoir to reduce the risk of interruption to supply. This work could start earlier than planned to help to protect the environment.</p> <p>Essex &amp; Suffolk Water will need to make decisions in 2023 about future needs of customers. Delaying investment could make this more difficult.</p>

## How important is this area of investment to you?

Asked only to respondents in the ESW region, this was felt to be an important priority as there was an acknowledgement that Essex & Suffolk Water is in a water stressed area.

- *“I think it is important, given that the government has planned for these new houses to be built and the population is going to increase. You have to do something about sustaining the water supply in the area. (Online workshop, ESW, Essex)*
- *‘Well, do you know what I mean we can see what’s happening with global warming and things like that and water supply is majorly important the way the worlds going and I think it’s another important investment you’ve got to make you know everyone wants to make sure that when you turn the tap on they’ve got water there to lose I mean in this country thank god we haven’t had that where you know we’re majorly short of water?’ (Online workshop, ESW, Suffolk)*

However, several doubted the feasibility of the targets outlined within this enhancement.

- *“So, I think designing a new reservoir and reducing the risk of interruptions is quite a big job. I don’t think it’s going to be achieved by 2030, I think it will take a lot longer. Unless they’ve got land which they’ve already procured which they want to put the reservoirs in, which I*



*don't think they have. Then I think it's achievable by 2030 if they've already procured the land and have everything ready to go, but I don't think they do, so I don't think they are going to achieve it by 2030. It's a little bit like net zero, we know we're not going to get there by 2030, we just keep entertaining ourselves about it. (Online Workshop, ESW, Essex)*

## Which phasing option do you think NW / ESW should take?

Related to the high importance of this investment, a notable number of respondents felt that a higher phasing option was necessary.

- *"I would agree with X this is by far the most important area of investment without proper water supply all the others go into the bin because if we haven't got the water in the first place nothing else is going to work so I think this would need high investment predominantly before anything else" (Online workshop, ESW, Suffolk)*
- *"I'll go with the high investment, mainly to keep up with demand for water. There seems to be a lot of new housing estates, and businesses going up in this area over the next couple of years. So, there's going to be a lot of high-water demand. (Online workshop, ESW, non-household)*

In contrast, a notable number felt the medium phasing option was most appropriate, arguing that this would enable the necessary work to be conducted. They also noted that they did not feel able to opt for the higher investment as it did not have a defined bill impact associated with it.

- *"Yeah, I think I would be happy with the medium investment because monthly that would be £4, £5 addition to the bill. With the higher investment, you don't have a figure there. So, if that's too high, obviously with the cost-of-living crisis, that might be hard to afford for some people. I think the medium investment is reasonable, and at least we're getting better quality supply of water as well as protecting the environment at the same time" (Online workshop, ESW, Essex)*
- *"Again, I'm going to be middle, I do believe something has to be done, I would like a bit of quality, but I just don't like that no-figure. That could be anything. Nothing we're paying at the moment, regarding fuel etc. and necessities. We all know what the impact has been in the last 12 months" (Online workshop, ESW, Essex)*
- *"Medium. You can't do the first one. The third one, you've got no price up there. I don't believe in putting my name to something, when I don't know how much it's going to be" (Face-to-face workshop, ESW, Beccles)*



- *“Yeah, pretty much, like I'm just quite split, because I think it would be better to go for the higher option in theory, but I'm finding it difficult to kind of compare without a set price. I think that's what's getting me. But yeah, I'm just quite split between them” (Online workshop, ESW, Future)*

It is important to note that the lack of information provided about the bill impact of the higher bill investment, combined with the knowledge that the low investment option would likely breach the law led several people panel respondents to feel that the medium option was the only feasible choice.

- *“Yeah, I guess the first one is if it is going to breach the law by doing it, then realistically it is not going to be chosen. It does not really matter what we say as a group, ultimately, they are never going to go for an option that is going to put them in breach of the law. So, it feels a little bit as though some of them are not genuine ... So, it just feels as though these figures are going to go forward as this has been put to people's panel, it has been agreed, we have got the backing. But it is not genuinely a choice. We are not actually saying we think people can afford another £22 or whatever. There is not a genuine choice on here and there is question marks for what the next one is. So, again how can you make an informed decision on what the higher investment would mean for people and give an opinion on that? So, I do feel as though there are not really genuinely three options to consider on the table” (Online workshop, ESW, Suffolk people panel)*

Several others felt that they did not have enough information presented to be able to differentiate between the medium and higher phasing option.

- *“To give answers on that based on when you've got this information, which doesn't actually tell you anything. So, the middle one says, 'reduce risk of interruption,' doesn't actually say what it is you're doing. And then the second one says, 'we could start building this reservoir quicker.' If you start it quicker, your costs are probably going to look lower, so why wouldn't you do it quicker” (Online workshop, ESW, Suffolk)*

## Would your answer change depending upon the customer / consumer / citizen viewpoint?

As with the enhancement related to asset health, for many respondents the role of this investment in the provision of a reliable water supply meant that it was universally important for all three viewpoints.



- *“It doesn’t change really; I mean you know it’s important isn’t it no matter what perspective you’re looking at it’s important, so I don’t think it changes at all” (Online workshop, ESW, Suffolk)*

However, also in line with discussions about other enhancements, there was concern expressed about the cumulative impact of investments discussed, acknowledging the conflict between wanting to allow bill increases for necessary investments as a citizen but also having to manage personal finances as a customer.

- *“Well it’s just all adding up isn’t it? Like I said it’s probably not my biggest priority, I think the first two points are my biggest priority than this. Not that doesn’t need to be done, and I strongly want to do it as a citizen. I do feel strongly about green issues, but I’m also trying to run a house here and struggling at the moment so it’s balance again” (Online workshop, ESW, Essex)*

Interestingly, the future customers noted that the emphasis on bill impacts during the session was directing their thoughts to more of a financially focused customer than a community focused citizen.

- *“Yeah. I think that the last session kind of discussed a bit more how it would help the environment, whereas this is kind of focusing on, like, the future bills and stuff. So it kind of makes you think more financially” (Online workshop, ESW, Future)*



## Focus on the shorter-term picture. Responses to the proposed bill changes. Thoughts concerning the acceptability and affordability the proposed and ‘must do’ business plans.

### The affordability of the proposed plan

Discussions concerning the affordability of both the ‘must do’ and proposed business plans were held in the context of an acknowledgement by respondents that water and wastewater bills are lower than other utilities. However, there were concerns about a general increase in bills.

- *“It’s still cheaper than the gas and the electric. It does feel that, although some people have their gas and electric on cards, but it does seem relatively cheaper” (Online workshop, ESW, Essex people panel)*
- *“As X said, compared to other bills it’s not that high. But thinking that the water bill is getting higher now and all the other bills are getting high, we don’t know how much it will be after July, it’s quite concerning, I must say. Compared to the average, thinking that our household is just two people, somehow the bill is steeper than the average and we don’t think we use that much water. So, assessing a lot of things that have been said here and how it affects us. Does it feel affordable? I hope so, yes. But it doesn’t feel good” (Online workshop, ESW, Essex people panel)*
- *“My bill at the moment is a lot higher than the average current bill I’m not on a meter and my bill is £268 a year so I’m already nearly £25 above that so the £296 I’m going to be well over that I’m going to be £320/325 plus inflation so my water bill is going to be £360/370 you know so these figures to me don’t give me any sort of comfort that my bill is just going to go up by this little amount I’m already right over this average” (Online workshop, ESW, Suffolk)*

Despite this concern, there was a general sense that investment was required and thus bill increases are inevitable. They also articulated a feeling of getting value for money, noting that the scale of bill increase was in proportion to the scale of work needing to be undertaken.

- *“Obviously everybody doesn’t want their bill to increase. That’s just the way it is, but we also see the need for it, too. I don’t think that that is a high cost based on what you’d be getting*



*back from it, and when you're looking at paying seven pounds a month more, for the difference that you would get for the 'Proposed' plan I would be happy to pay the nine pounds more. I would rather pay nothing [laughs] but if I was going to be paying more to invest in it, then two pounds more, for me, gets a lot more" (Online workshop, NW, Tees)*

- *"It has got to be done but it's a no brainer just doing that, you need the extra bits or otherwise you will be running backwards, and you have to play catch up by 2030 anyway. Also, the longer you delay things getting done, the more problems will be. More faults are going to occur so to me it's a no brainer that it shouldn't just be a 'must do' plan it should be the proposed plan and bite the bullet for cost wise. The 'must do' plan is affordable, like I said the affordability isn't an issue with me it is value for money" (Online workshop, NW, Northumberland & Tyne)*

However, it is important to acknowledge several caveats to the discussions involving bill affordability. Firstly, there was a note of caution articulated by several respondents across both regions who observed that during the research sessions some respondents had opted for higher phasing options, and an acknowledgement that the impact on individual bills may be higher than those presented on the average bills. Consequently, the final bill impacts that they were faced with may be higher than those presented in the session.

- *"I think for the added benefits yeah. But I think there was at least one of the things where most of us thought we should do a slightly higher investment. As well so it's just remembering that as well so if actually if we did that an extra £7 or £8 we all thought was worth it would be a little bit higher again" (Online workshop, NW, Northumberland & Tyne)*

There was a sense that, as both plans involved large increases on the current bill, there must be accountability and transparency from NW and ESW in terms of progress against targets.

- *"I think the key thing here is that whatever plan is adopted, there has got to be some accountability, here. If we're being asked for all this extra money, it's got to be seen that we are getting the results that we are paying for. That's my biggest point on any of this" (Online workshop, NW, Tees)*
- *"Yes, educate people knowing why they are paying that and being aware what the cost are in other parts of country and people being empowered as much as possible to limit their own bills just like they are with energy I suppose" (Online workshop, NW, Northumberland & Tyne)*
- *"I think there has also got to be some kind of measurability of targets. They've got to set some targets. You don't mind paying it, but it's actually seeing the results of it. So, it's like*





*everything. It's got to be monitored, and actually, it's paying for performance. That's the key to it. It could be fifty percent and it wouldn't matter, in the sense that it was actually achieving something. But not just being lost in the ether" (Online workshop, ESW, non-household)*

There were also other respondents who noted that affordability of the plans was entirely subjective and therefore very difficult to judge.

- *"It depends on the income, doesn't it? I'll say it again, it depends on what money you have. If it's just a pension, you'll probably be struggling" (Face-to-face workshop, NW, Hetton)*
- *"I guess like it obviously depends from person to person because some people would happily move up to the four-fifty, four-seventy kind of thing, but for the people who are on their absolute max at that three sixty-two it can then be quite a big jump up for some people, like eighty-five pounds" (Face-to-face workshop, NW, people panel future)*
- *"I mean it's really hard to say, they are all from different backgrounds and we are probably all earning different amounts and I am in the higher tax bracket, so yeah, paying an additional £30 wouldn't be the end of the world for me. But for a single mom for example or a person with children, that is going to be quite hard stretched especially in the cost-of-living crisis" (Online workshop, ESW, Essex)*

Finally, within all sessions there was a consistent sense of frustration that bill payers were being asked to fund investments through bill increases.

- *"I don't think it should all go on the customer to pay it. I think the company should be paying more out of their profits to fund this. I didn't really have a great insight until obviously this week, and then looking into it, I think they're making massive profits and really, they should be getting their hand in their pocket a bit more. It's saying the average bill is three whatever, mine is four hundred and thirty-two, so mine's going to go up more than £15, isn't it?" (Online workshop, NW, Wear)*
- *"I think the company will have to invest. But it's just how they do it. Really, from a customer's perspective, I would look at it as I don't mind paying something, but why should it fall on me as a customer, when you have conglomerates, large hedge funds etc, well there's only two of them actually making huge amounts of money out of the company?" (Online workshop, NW, Wear)*
- *"I understand, you need to pay for assets, but I am going to be well cheesed off in the future, in '25 or '30 or whatever, and I hear a director of this company or the shareholders of this company have got this great, big bonus, or they've retired with millions of pounds in a nice,*



*big pension scheme or whatever like that. I will be totally cheesed off by this basic asset, a human need, and they've made that much money and they've billed me as a pensioner for that." (Face-to-face workshop, ESW, Dagenham)*

## Thoughts on the proposed versus the 'must do' plan.

Whilst both plans were considered acceptable, for household customers there was a preference for the proposed plan. Respondents felt that the discretionary enhancements included in the proposed plan were important and necessary to prepare for the future.

- *"Again, the proposed is not that much more and climate change is important you know for money that we pay extra it needs to be done" (Online workshop, ESW, Suffolk)*
- *"I would go with the proposed plan as well, because although it's paying a bit extra at least we're considering climate change, it does play a big factor in the water supply and quality of water and everything. So, at least we're thinking of the future, climate change. Even just paying a bit extra is helpful, I think" (Online workshop, ESW, Essex)*
- *"Personally, I know everyone is different but, the £20 a year one, is one of those that you just may as well do it. It's going to protect us in the long-term" (Online workshop, NW, Wear)*
- *"I would go for the proposed plan any day because as much as the 'must do' plan is there, that's basically doing the basics. I would rather make sure for an extra £23, basically making sure you are getting more coverage and you could be more prepared. At least you know you will know you will be able to put your tap on and it would be a lot better than it could have been" (Online workshop, NW, future)*

Further, respondents in both regions noted that the financial difference between the two bills was minimal. They therefore felt that the proposed plan offered better value for money.

- *"Between the 'must do' and the proposed plan, the percentage difference is so negligible. I think it's too negligible to even consider. You might as well just go for the full £23.50. If it was a five percent more difference between the 'must do' and the proposed plan, I think you could counter argue but it's probably pennies difference, per month, between the two. You might as well just go for the full plan" (Online workshop, ESW, non-household)*
- *"Yeah, I would just go all in on the proposed, to be fair, like. The jump between the 'must do' and the proposed isn't as substantial as it is going from nothing to the 'must do'. So, I would*



*much rather just pay the extra and just get everything included that's going to have a benefit" (In-depth interview, NW, NHH)*

- *"It's still not great (the 'must do' plan) but I mean it's an £85 increase over the next 5 years not including inflation. So, it's actually quite a bit and that makes me think might as well do the proposed plan" (Online workshop, NW, Northumberland & Tyne)*

ESW respondents noted specifically that they felt that the proposed plan held more benefits for future generations and was therefore worthy of investment now.

- *"Yeah, definitely. Especially when you break it down to like, per month, like it doesn't seem to be that much extra, like it's literally pennies per month. So overall, I think with the climate resilience thing, it's one of those things it's worth spending on because at the end of the day, like if you put these investments in now, that could save consumers money in the future. So it's definitely an investment that's worth making" (Online workshop, ESW, future)*

Similarly, one young respondent stated that the proposed plan appealed to them as a citizen.

- *"Yeah. Yeah. That feels manageable to me, like looking at them side by side, it feels alright. And also just to pay that little bit more to protect the planet, to me, that makes me feel good as a citizen, you know, duty to take care of the planet and also like, as a customer, if we all sort of spread it out, because it's spread out over the year. I also agree, I think it's alright" (Online workshop, ESW, future)*

However, for several respondents, recommendation of the proposed plan came with the caveat that there needed to be assurances that bills would reduce once the capital expenditure involved in the investments was complete.

- *"We need to go for the proposed plan rather than the 'must do'. I would like to see some guarantee that we'd get some kind of reduction or less of an increase at the end of the capital expenditure period. Okay, we expect things to keep on going up but maybe the rises should not be as great by then" (Online workshop, NW, Wear)*

It is notable that very few respondents found the 'must do' plan to be more acceptable. Several commented on the lack of ambition within it.

- *"For me that's just about treading water, about keeping us where we are at the moment in terms of the league tables and investment and infrastructure where clearly going forward there does need to be more in some areas" (Online workshop, ESW, Suffolk)*

The minority of respondents that did prefer the 'must do' plan referenced the lower bill increase and the impact of the cost-of-living crisis.



- *“Yeah, I would sway more to the 3.6% (bill impact associated with ‘must do’ plan). I just think that if you’re comparing it like food, I’m quite happy with my 23.6%, but I do get what they want to do and why they want to improve the actual ones they don’t need to do but I just think everyone is being hit by massive increases. I don’t know, for me personally, I’m swaying towards the lefthand side” (Online workshop, NW, non-household)*

One non-household respondent also referenced the lack of relevance of the additional investments for businesses specifically and therefore felt cautious when considering the acceptability of the proposed plan.

- *“...as a business you are, at the moment, looking for ways to save money. I think it’s one of those things, will we see the benefit? I think that’s the difference because I think sometimes when you can’t see the actual benefits, storms are a massive issue here, so we pay more but we may not see the actual benefit. So, I think it would be more interesting to know, the bottom three, do we feel they would make a difference to our individual business and probably not” (Online workshop, NW, non-household)*

Further, a minority of respondents from both regions felt that they were not provided with enough detail to be able to judge the value of either plan.

- *“I think you have a better-informed choice if you had more information on what money is being spent on, I think that’s a lot of the problem as well you know when you’re seeing it in short three or four-word sentences to say a brief description it can cover so many different things” (Online workshop, ESW, Suffolk)*
- *“I think from my perspective what we are missing is the evidence base we not having access to it, so you know they need to include the evidence base of why they think they need to do this as supposed to needing to do that. Actually some of the benefits are much clearer. For me I think it’s been the lack of clarity that has been the problem” (Online workshop, NW, Northumberland & Tyne)*

There were also several NW respondents who were not fully satisfied with either presented plan, for example preferring the proposed plan minus the climate change adaptation.

- *“So, yeah, I’d go with proposed, even if they did take the climate bit out. I’d be a little bit happier, but still, I would go with proposed” (Face-to-face workshop, NW, Hexham)*
- *“I would probably exclude increasing the awareness amount of water usage because this problem I think you can solve by installing meters in all households, then people will start to think how to save their money and they will think how to use water properly. So probably it’s*



*the main thing that I would exclude from this plan. About climate change, I need more details. So, if this investment would be with more facts, with clear understanding what stages of this project and how and what they will implement. Yes, we should probably keep in this business plan. Otherwise, it's also not clear for us" (Face-to-face workshop, NW, ESL)*



## In-depth interviews with household customers with health vulnerabilities.

As a reminder, the guidance stated that in-depth interviews with household customers with health vulnerabilities have two objectives. The first is to explore how vulnerable customers respond to aspects of the proposed business plan to enhance Priority Services, social tariffs or other additional services for people in vulnerable groups. The second is to contextualise these specific proposals within the proposed business plan.

Compliant with the guidance, the findings from these in-depth interviews have been analysed and presented separately within this report.

### Reactions to the pre-task.

Respondents from both regions expressed interest in the role of Ofwat, with one surprised at their involvement in the business planning process and another interested in how they regulate water companies.

- *“I think the headline was the fact that Ofwat finalise the plan and prices. I was aware of Ofwat’s role in terms of a regulatory body and a company who was keeping an eye on things, but I didn’t realise they played such an active part in the business plan” (Health in-depth, NW)*
- *“It was interesting to read, I had some thoughts on it ... it sort of brought up more questions than anything else. Just like if you underperform you get fined, as a water company. Where does that money go and where does it come...? It comes out of their profits, I assume; what happens, will that get reinvested? Also, people that perform better, where does that money come from? ... And, at the end of the day no-one’s performed brilliantly, so why are they getting bonuses, for only achieving water loss of like sixty odd percent per household, 61 litres per household. So, why? You’re not even doing your job properly, you’re not performing, so, yeah” (Health in-depth, ESW)*

The interest in Ofwat was the only similarity in terms of pre-task feedback from NW and ESW respondents. NW respondents noted the detail of information in the pre-task.

- *“Well, I think it’s gone pretty much into detail. I know it gives a breakdown where all the pennies go you know like it’s all broken down into so no, not really. It’s pretty good” (Health in-depth, NW)*



One was surprised at the work involved in treating wastewater.

- *“The way waste is treated. Just how involved it was, I think. I mean you think you pull the plug, and it goes away” (Health in-depth, NW)*

There was also an interest in the provision of smart water meters.

- *“I suppose the other thing which I wasn’t aware of, talking about smart meters. I wasn’t even aware you could get smart meters for water supplies, so that’s something I might be interested in, if that was available” (Health in-depth, NW)*

One NW respondent would have appreciated information about profits.

- *“They’re always on about what it costs, but how much profit do they make? Because I know they need to make profit to stay in business, but the thing is are they making a good profit or excessive profit like some of the old companies are making at the moment” (Health in-depth, NW)*

Finally, one NW respondent expressed some surprise at the intended bill increases.

- *“Only that in 2024, everybody’s water bills will look like being about £470 ... I think they should try and keep water prices down if they can because everybody is struggling to pay the bill, especially at the moment” (Health in-depth, NW)*

One ESW respondent found the information presented to be too vague.

- *“Oh, dear. It was like finding a sort of concrete answer for anything, you know. It was all a bit vague” (Health in-depth, ESW)*

Another respondent was surprised by the community work undertaken by ESW.

- *“I think I put it down. Just the community work and the volunteering, just giving back to the community. I didn’t realise that they did that, but that was about it” (Health in-depth, ESW)*

## Temperature check – household finances / cost of living.

Several respondents from both regions noted that they were finding their own bills difficult to afford.

- *“I would say difficult because when the time comes, we just cut down a bit when I know it’s due, we’ve managed to pay the April one but when the next one’s due in October so we just cut down on something else so we can pay for that one. Because you know you’ve, I mean you’ve got to pay it” (Health in-depth, NW)*



- *“I’ve had to give up work to look after my mum who’s got cancer, so basically me trying to live on sort of £400 every single month is nigh on impossible. To have my mum need showers regularly throughout the day due to incontinence and things like that, if we were to have to say water meters, which they’ve already installed, even though they’ve given us a capped water bill, now we’ve got the threat of, if we use too much water, are we going to be able to afford it?” (Health in-depth, ESW)*
- *“I’m on Pension Credit which means I get pension and a little bit extra to help. I’m a very good budgeter, you have to be. I’ve always budgeted but with regard to electricity and everything else going up, our bills, but food prices have doubled. So, obviously that affects the amount of money I have to pay for these sorts of things. So, it does affect me” (Health in-depth, ESW)*

However, others noted that they were in a comfortable financial position or managing their finances reasonably well.

- *“Again, it’s like no worries, in that respect. Once my wife gets to State Pension age, we’ll be even better off... it’s [the cost of living crisis] just made us more aware, and I think we are more conscious of how prices have increased generally. We’re in the fortunate position where it hasn’t really hit us hard in any respect. It’s just made us more aware” (Health in-depth, NW)*
- *“At the moment, not too bad. Obviously, it’s tough for a lot of people but I’m generally managing to keep up with things, pay my bills regularly. So, it’s not too bad. As long as the prices don’t go up too quickly, it should be alright” (Health in-depth, ESW)*

## Their service needs and experiences of Priority Services.

Several respondents felt that their experience of the priority services was excellent, but across both regions it was felt that awareness was not widespread enough.

- *“I think, it is brilliant in terms of even what they provide for mum, in terms of bottled water. And because her bill is over three percent of her actual income they reduce it, which is great. However, it’s only because I knew about it, or I’ve read up about it that I actually knew about that, it’s not information that people would actually know. And there’s loads of elderly, especially around here, who don’t know” (Health in-depth, ESW)*
- *“That is, somebody like myself, I didn’t know until last ten years I get to know, there are options. As I said I was working until 2005, 2008, that is the last time I worked, and it took*





*me a few years before I realized that there are priority options. I think I finally came to know 2017, so what, nine years later... So, I don't think a lot of people know about it until they are kind of like the bill is not going through, then they go too late they go" (Health in-depth, ESW)*

- *"We even told our neighbours about it because they had no idea. So, we told them that they need it for themselves. It's something that a lot of people don't know about" (Health in-depth, NW)*

However, other respondents were not aware that they were on the Priority Services Register:

- *"I don't even know if I'm on their vulnerable list, to be honest" (Health in-depth, ESW)*
- *"I've never had any problems with NW. I've never even thought you could claim anything off them. I've never bothered anyway. I don't think I would because I don't think I'd get it" (Health in-depth, NW)*

Further, one respondent had had some direct interactions with NW as a consequence of being on the register. However, they were unclear of the measure that was put in place and its intended benefit.

- *"I did tell the girl about a problem that we're having. And we've had for the last three, four years, where we get what I call muck going into the toilet system, bringing down sludge, right? The girl said, I'll give you an £11 flushing allowance, talk to your plumber. So, it just happened that my plumber was here. So, I said, "Right. I've got a flushing allowance." He looked at me and said, "What the hell is a flushing allowance?" (Health in-depth, NW)*

## Focus on the proposals in the proposed business plan for services aimed at people with health and financial vulnerabilities: water poverty.

Reducing water poverty was felt to be an important area for NW and ESW to address. Respondents noted the impact of financial stress and the fact that water was a vital expenditure.

- *"Well, it's a big thing for people you know, I know we were talking before, but you know, being able to afford bills and stuff like that and suppose it can perhaps play on your mind and a lot of people it affects them more than us... You need water don't you" (Health in-depth, NW)*



- *“Water is one of the problems you don’t think about. You turn the tap on because you need it when you need it and you don’t realise how much it’s costing you to do that. So, it’s not like buying food. You can say I can’t afford that loaf of bread because I haven’t got money for it, but if I need a cup of water, you can’t have it. you can’t have, can’t afford it, and not use it because you’re going to have a serious problem. There’s just no choice” (Health in-depth, NW)*
- *“Very important. We all need water at the end of the day, and everybody should be able to have water without actually thinking about it. It shouldn’t be like, fair enough you can’t afford your mobile phone bill we can turn it back off; you can’t turn off the water, yeah?” (Health in-depth, ESW)*

However, several also questioned how NW could reduce this and therefore questioned the validity of the goal.

- *“I think as a society that water is such a fundamental part of what people need, and clearly that’s something that shouldn’t be a burden on people to achieve that, but I find it very hard to understand how NW can influence that, because to a huge extent that 3% is dependent on people’s income, which is something that NW cannot influence. I wasn’t sure how meaningful that target could be” (Health in-depth, NW)*
- *“I think tackling water poverty is a good idea...I can see how these targets could go wrong. So, if someone is, for example, on a very low income or no income at all for some reason, if they lose their job or something like that, their water bill doesn’t change because they’ve lost their job. Suddenly... you can go in and out of water poverty quite quickly at that point, if it’s 3% of your current income. If your current income is Jobseekers Allowance, and you’re spending three per cent, you could easily do that” (Health in-depth, ESW)*

Similarly, one respondent felt that reducing water poverty needed to be balanced with general bill affordability and maintenance of high standards in water supply.

- *“Again, it’s to do with the affordability. So, if it’s cost-effective and it’s not going to skyrocket, especially during these times, then I’m okay with it. Otherwise, it’s better to concentrate on keeping it cost-effective and maintaining standards” (Health in-depth, ESW)*

Finally, other respondents were cautious that help should only be given to those that genuinely needed it.

- *“It’s got to be more targeted. Because there are people just getting away with murder” (Health in-depth, NW)*



- *“I think that they should consider it, that people with all the different problems should be able to be prioritized but then there’s so many, isn’t there?” (Health in-depth, ESW)*

## Focus on the proposals in the proposed business plan for services aimed at people with health and financial vulnerabilities: new tariffs.

Designing new tariffs was welcomed by respondents from both regions, acknowledging the difference circumstances of customers.

- *“Yeah, because there’s a lot of different people out there with a lot of different circumstances. You’ve, that’s got to be taken into consideration. We’re not all the same. It’s your usage and what you can afford” (Health in-depth, NW)*
- *“Yes, I would love to have it because our house will be, because of our religion, we use a little bit more for prayers and stuff and also, because of my health, my toilet is a wash and dry one. So, when you use the toilet, you have to flush again, all the flushes” (Health in-depth, ESW)*
- *“I think the one... so things like, for example, a lower tariff, a lower standing charge for ‘single person’ households, I think that’s fair enough, because a standing charge is a flat fee and if there’s only one of you getting the benefit of it, the chances are you’re only using the water, unless you live in the shower or something, the chances are, you’re not using that much water as well, so while it costs you some money to maintain the supply I can see that that would be maybe a bit fairer. A lower standing charge, higher unit costs on someone who doesn’t use much water, I think... and also I like the idea that people should be given a choice, so if someone uses a lot of water, they may say, ‘actually, I use a lot of water. I’ll take the higher standing charge and a lower unit charge’, versus ‘actually I don’t use very much. I’ll take a lower standing charge and a higher unit charge’. That works, so I think people should be given that choice. I think that’s worth having, yes” (Health in-depth, ESW)*

NW respondents also felt that this should be done now, reflecting the urgency of the cost of living crisis.

- *“No, I think they should do it now really...It needs to be done you know. It’s not a make-believe situation. It’s happening, its affecting people, so you know, like I say, if they need it help them” (Health in-depth, NW)*
- *“Tariffs? I think they should do it now to really get it sorted” (Health in-depth, NW)*



However, several ESW respondents worried that having smart meters would introduce situations whereby usage was reduced to the detriment of those who needed water the most, regardless of household size.

- *“The reason I don't like smart meters, is that it's just so wrong. I'm a single person. I've been paying the normal bill. I have no meter. I'm quite happy to pay it. If you put that extra cost on a young family because they've got four children, they're going to be using more water than me. I'm quite happy that they pay the same and I pay the same. I'm quite happy because when you're young, you need that help. So, just because I'm older and I'm using this, I can still manage. I don't think it's right to put it on younger because it's wrong. You're penalizing them and it's wrong. I'd hate to think that I'm sitting here all happy and my neighbour is struggling.” (Health in-depth, ESW)*
- *“...there's no exemption here for people that need it medically. So, mum needs it medically. So, she has to have showers constantly throughout the day and everything else. So, that's not even factored in there. So, mum's a single person who lives here by herself. I'm here most of the day, my brother's here at night. For me, a water meter is just another extra layer of stress... yes we are thinking, we're not going to leave the tap running when you brush your teeth and things like that. That's been drilled into our heads for ages, yeah?” (Health in-depth, ESW)*

## Focus on the proposals in the proposed business plan for services aimed at people with health and financial vulnerabilities: partnership expansion.

For a notable number of respondents, expanding partnerships was felt to be a high priority as it was seen as key to increasing awareness.

- *“I would say that is a fairly high priority if people are struggling, because unless you know the help is there, then you're not going to ask for it, necessarily. So yes, I would say that linked with the fact that people are struggling at the moment that probably is a higher priority than some of the other objectives” (Health in-depth, NW)*
- *“Well, I think you can know where to go to get advice on things. It's important. Citizens Advice Bureau, you can go there. Anybody should know that you can go to them to get advice on almost anything” (Health in-depth, NW)*

There was also an understanding that this was a logical way to help people in genuine need.



- *“I think it would be a good idea, if you’re working in a housing association and everything, just to keep it cost effective, in line with people’s rents and stuff like that” (Health in-depth, ESW)*
- *“The more you can work with organisations that are there to help people, the better” (Health in-depth, NW)*

However, one ESW respondent noted that building partnerships was not enough to ensure improved access to priority services. They discussed the need to automatically contact people at a certain age, as there were cultural barriers to contacting services within their community.

- *“A simple thing as an age range, as soon as you hit that age, they will write a letter to you. It’s a simple thing which will make a huge impact on many more households, to say that... because mum’s never been to Citizens’ Advice, she’s never used Age UK and she’s never used StepChange. Most of the Indian families around here will never use them, yeah? Be it an English language barrier or anything else. But when a letter comes to their home, even if they can’t read it themselves, they’ll get one of their children, or they’ll get a neighbour or somebody to read it for them and if it’s there and it’s explained, yeah” (Health in-depth, ESW)*

Another was cautious about this approach; in case it incurred extra costs for the company or customers.

- *I have a bit of a hesitation about this. I like the idea of working in partnership, that’s fine. That’s a noble aim, etc. My problem is... well, it’s not my problem, but what value are you getting for that? I don’t know how the partnership works in terms of ‘do we have to pay the likes of Step Change, which is a ‘non-profit’. Do we have to pay them a fee to participate’ and that sort of thing? More importantly, what are the customers getting in return for this? (Health in-depth, ESW)*

There was also acknowledgement that other agencies are not always easy to contact.

- *“I’ve not found Citizens Advice very easy to contact. They’ve got an office here, but it’s on a limited time of opening, and you’re in a queue, and you never know when you’re going to be seen (Health in-depth, ESW)*



## Focus on the proposals in the proposed business plan for services aimed at people with health and financial vulnerabilities: awareness building.

It was acknowledged that there was not enough awareness of the additional help that could be offered to NW customers, and that building awareness was highly important.

- *“Well, yes. They ought to advertise it more because, to be quite honest, I haven’t seen anything from the water board or from anybody else saying that you can gain benefits from them. So, if you hadn’t told me this today, I would have just accepted that you pay what you pay” (Health in-depth, NW)*
- *“First off make them aware that there’s additional help there. I think you’ve got to explain to people and tell them how it could be beneficial to them you know, and how it could be a good help, you know. Help along the way. Make it a bit easier. As I say anything to help people, anything to make it easier for them to get along” (Health in-depth, NW)*
- *“Very important, I mean especially for the people who are genuinely needing the help, that is very important for them, extra pennies, extra pennies, you know. I mean, nowadays working in a charity myself and so many charities are involved so I see the vulnerability. So, yes, my life changed since 2008 in a lot of ways, and I get to know the other side of the vulnerability. Before I just said, ‘I am working, I can pay for that” (Health in-depth, ESW)*

It was felt that multiple channels of active communication to customers should be offered but that to ensure thorough awareness would be a very difficult task. However, information on bills was felt to be a way that most customers could be informed.

- *“It goes back to communication. You need to raise awareness, but do it in the right way, do it by letter, by email, a text message, whatever works” (Health in-depth, NW)*
- *“They could only do it by putting information onto bills because it’s the only communication that Mr Average customer has with the water company. But it’s no use just sending emails out to people because unannounced emails get ignored because there are too many” (Health in-depth, NW)*

Several ESW respondents felt that advertising in local media would be a cost-effective way to increase awareness.



- *“I think local advertising is probably the way to go. There’s so many newsletters we get here, free sheet newspapers or local papers, that sort of thing. It would be dirt cheap for them to start plastering lots of adverts or sponsoring something. Doing something like that. Put the money into local advertising, local awareness, that sort of thing. Even you could do stuff like go on to local radio” (Health in-depth, ESW)*

An important theme underpinning all discussions was a sense that active outreach to communities should be prioritised. Further, it was considered vital to ensure anonymity in this active outreach.

- *“Being more open. Maybe informing more...I suppose advertising is a department, so they probably already put posters up, in places like libraries and stuff or on buses or bus stops, newspapers?” (Health in-depth, ESW)*
- *“I think that you just have got to communicate better. Keep people informed of what is available. Just talking to people, to anybody. It gets you over that first hurdle. And then to just guarantee that those end conversations are private to them only. People don’t want other people to know” (Health in-depth, NW)*
- *“Well, you’ve got to communicate with them, and tell them what is available to them, and make the communication readable. Tell them what you’re going to do, then you tell them how you’re going to do it, then you tell them what you’ve done” (Health in-depth, NW)*

One ESW respondent talked of the need to make services more joined up, so for example when filling out forms to claim benefits customers would also be told of the schemes that could make their water bills more affordable.

- *“Okay. Okay, well again, if they speak to people and know what... if the information was more readily available, so not just... more services to job centres and things like that. Or provided that information, these are the things, like you’re now on Universal Credit because... for whatever reason, these are the things from gas, electricity, water, everybody, these are the services that you can actually get. Have someone there... So, have all that at the same time” (Health in-depth, ESW)*

Another felt that there should be a dedicated contact number for customers registered on priority services.

- *“If you’re on the register, I suppose you should have a special number to ring” (Health in-depth, ESW)*



## Focus on the proposals in the proposed business plan for services aimed at people with health and financial vulnerabilities: improving access.

Holding community events was felt to be an important way in which the accessibility of NW / ESW could be improved. This mirrors awareness, with an emphasis on the company actively going to communities rather than expecting customers to come to them for help.

- *“They should have meetings like locally. People have a meet and say if you want to come along, come along. We’ll explain everything what’s going on, keeping you in the loop and you know at the same time, not only that they could explain what other offers are available” (Health in-depth, NW)*
- *“Part of the trouble is there are so many local services closing down. At one time, libraries used to be more accessible. I’m fortunate that there’s a library that comes and parks opposite my house every three weeks. Now, being realistic, would somebody from NW be sat on that van on the off chance that I might want to talk to them? But if there were opportunities for drop-in centres in some community facilities, maybe that’s something worth considering ... Tonight, in our village, there’s a Village Partnership, and that’s where all the organisations involved in the village, be that the Church, the Brownies, or whoever, they all come together to meet and try and co-ordinate activities. That’s something that perhaps NW could go along to there, and make them aware, and they could disseminate that to their various groups” (Health in-depth, NW)*

The use of digital access was welcomed by several, with the caveat that it was necessary to reassure people that digital communication was genuine.

- *“It’s important again. It’s all about communication. Digital is great, as long as you can convince a person that it is NW” (Health in-depth, NW)*

## Focus on the shorter-term picture: the acceptability and affordability of the proposed business plan.

The bill impact of the proposed plan was noted with concern by several respondents from both regions, who felt it was not affordable and would incur reductions in other household expenditure to be paid.





- *“It’s been going up and up, we’ll have to cut down again ... Like I say, you’ve got no choice really” (Health in-depth, NW)*
- *“Well, again, if the average bill is £245, the average bill is going to go up in 2030 to like £302. But like in our case, it’s going to double. I think it’s way too high. Again, I think we’ve got to pull our holds in and use less water” (Health in-depth, ESW)*
- *“We’re talking about the average bill, by 2030, excluding inflation, I reckon that’s going to be nearer £400, from £500. Yeah, I don’t know. It feels a little bit ambitious to make that affordable for everyone. Going from £500 to £600, plus inflation. I’ll be paying £700 or £800 for my water. It stops feeling affordable at that point. I think you’re pushing it to call this affordable, if you strip out inflation” (Health in-depth, ESW)*

In contrast, one ESW respondent noted favourably the relatively low bill increases involved in the plan.

- *“Okay, that’s not too bad in the scheme of things. It’s the cost of a sausage roll. It should be alright” (Health in-depth, ESW)*

Another noted that the affordability of the plan was entirely subjective.

- *“That depends on people’s personal financial issues because I might be struggling, and other people might be it’s no problem. Yes, so, it depends as I said it all depends on where you are circumstance” (Health in-depth, ESW)*

Several respondents felt that the plan was generally acceptable but not ambitious enough in some areas.

- *“I thought it wasn’t necessarily ambitious enough, in terms of reducing leakage, which I think is a very unambitious target, and just to say you want to be in the top 50 doesn’t strike me as a terribly ambitious objective” (Health in-depth, NW)*

Several others also felt it was acceptable, as long as it was communicated clearly to customers.

- *“Yeah. It would be to us, but obviously not for everyone...I think they are doing a good job on this plan, it’s a nice plan, it’s acceptable. Once they finalise it, and realise what they’re doing, they will tell people...They don’t communicate that often. They need to tell us what they’re doing and tell us where our money is going. It disappears out of our bank once a month, but tell us what happens after that?” (Health in-depth, NW)*

One ESW respondent found the plan acceptable but questioned the level of work that was detailed in light of company profits.



- *“It’s reasonable. But I think, looking at their profits, they could do more” (Health in-depth, ESW)*



# Analysis of the findings from the post-task.

All respondents of the research were asked to complete a post-task. During this, they were shown the impact of the 'must do' and proposed plans upon their individual bills. They were then asked a series of questions.

Some questions were asked to all respondent segments, however some were not asked to vulnerable or future customers. Vulnerable customers were not asked about the 'must do' plan, and future customers were not asked about affordability. Due to the nature of the questions, 'don't know' responses have been included in the analysis.

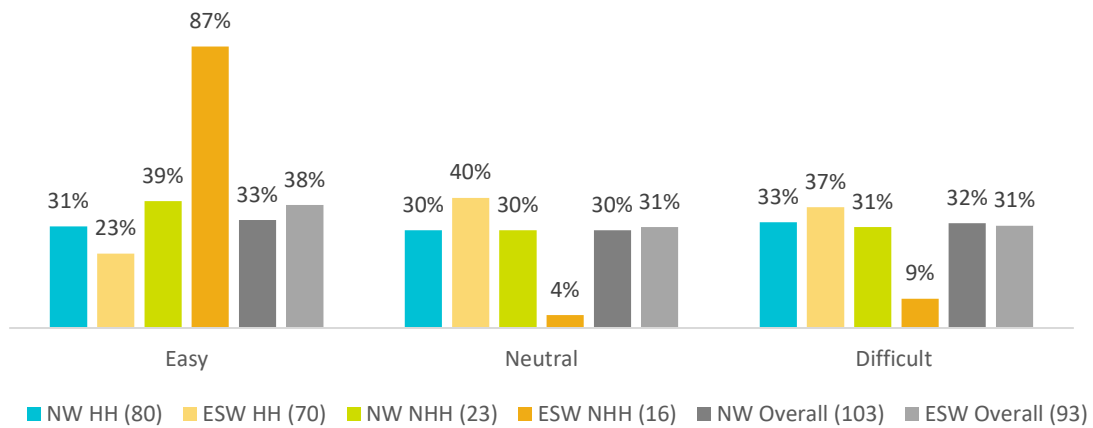
When asked about their satisfaction with various statements, respondents were asked to give up to two reasons to explain their answer and the same options were presented to all respondents. For this reason, in some instances respondents have expressed satisfaction but have then selected reasons that would appear to express dissatisfaction, and vice-versa.



## The affordability of the proposed business plan.

When asked how easy or difficult it would be to afford their water (and wastewater) bills under the proposed plan, responses were mixed between easy, neither easy nor difficult (neutral) and difficult. Overall, 33% of NW respondents said it would be easy to afford their bills under the proposed plan, 30% neither easy nor difficult, and 32% difficult. For ESW, 38% said they would find the proposed bills easy to afford, 31% neither easy nor difficult and 31% difficult. This question was not asked to future customers.

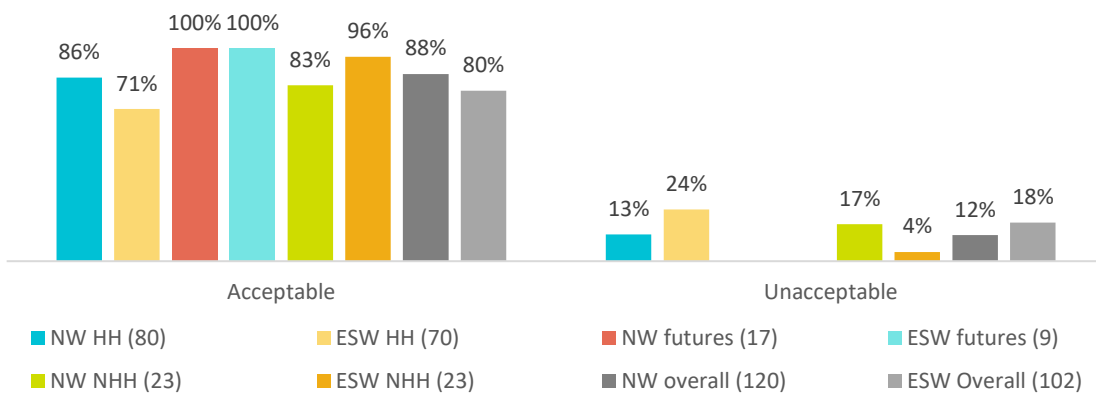
**Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? (Proposed plan)**



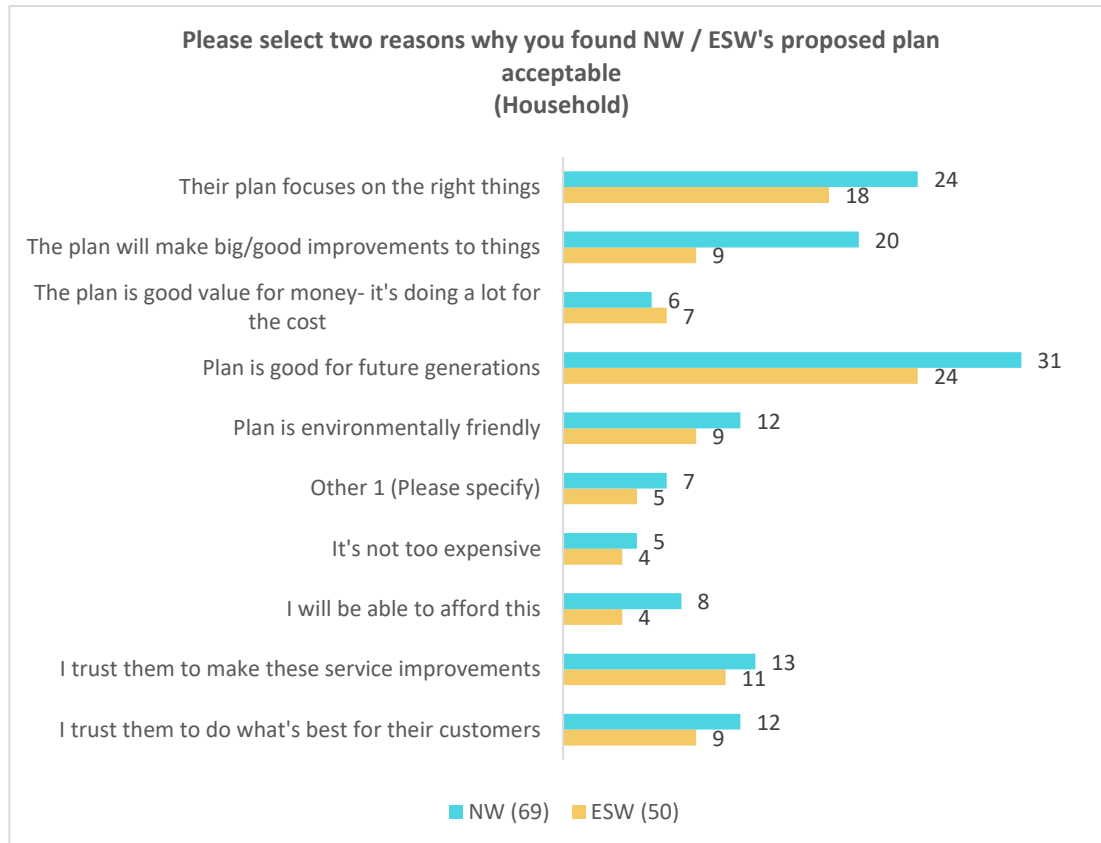
## The acceptability of the proposed business plan.

Whilst responses regarding affordability were mixed, the majority of respondents found the proposed plan to be acceptable, with 88% of NW and 80% of ESW respondents finding the plan acceptable. Acceptance was highest amongst future customers, with all respondents from the groups across both regions finding the proposed plan acceptable.

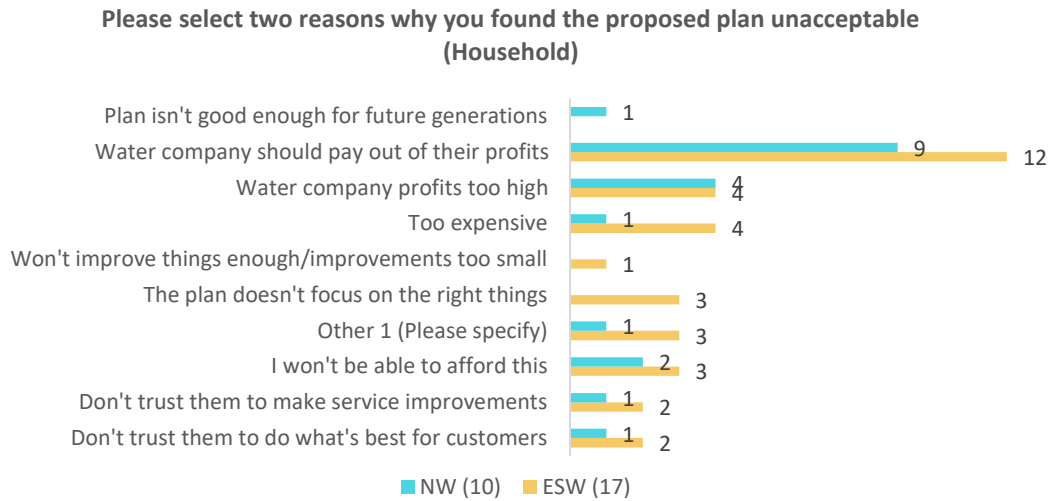
**Based on everything you have heard and read about NW/ESW's 'proposed' business plan, how acceptable or unacceptable is it to you? (proposed plan)**



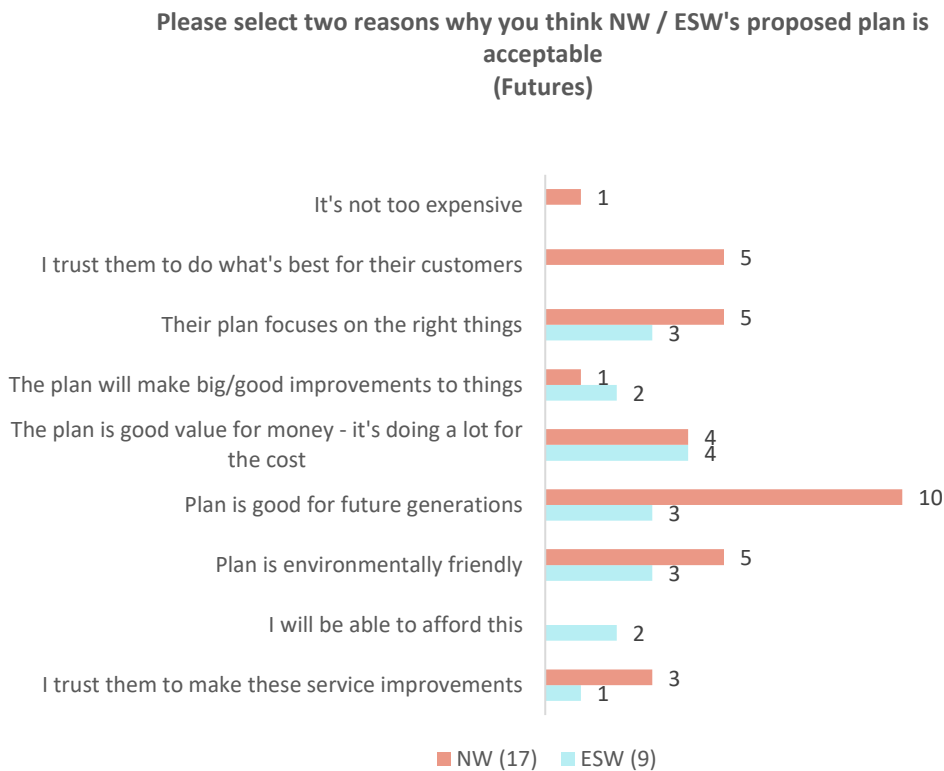
Respondents were then asked to select two reasons why they thought the proposed plan was acceptable / unacceptable. For both NW and ESW household customers, the top reasons for the proposed plan being acceptable were ‘plan is good for future generations’ and ‘plan focuses on right things’. ‘Other’ responses included ‘I think the plan invests in the right things but I would not expect this kind of increase every 5 years’, ‘seems a necessity’ and ‘I feel I have to accept their proposed plan as there is no alternative’



For household respondents who thought the proposed plan was unacceptable, the top reason across both regions was ‘water company should pay for more of these service improvements out of their profits’.

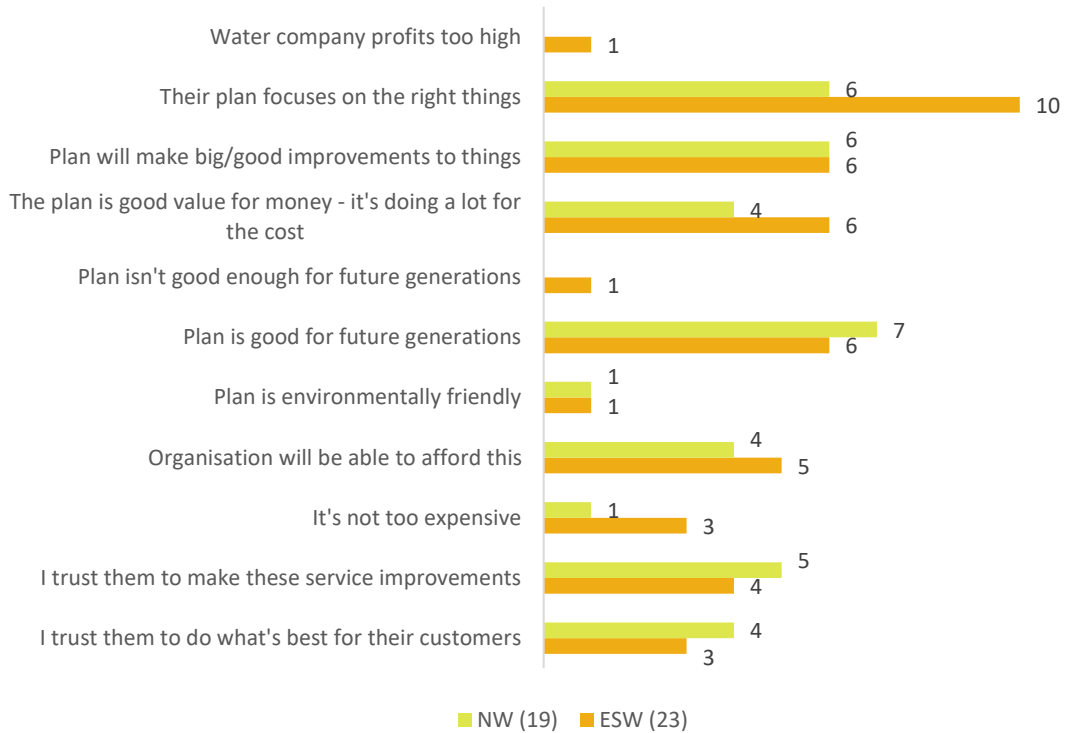


For NW future customers, the top reason for acceptability was ‘plan is good for future generations’, whereas for ESW future customers it was ‘the plan is good value for money- it's doing a lot for the cost’. No future customers thought the proposed plan was unacceptable.



For non-household respondents, the most common reason for acceptability for ESW was ‘their plan focuses on the right things’, which was also one of the common reasons for NW respondents along with ‘plan is good for future generations’ and ‘plan will make big / good improvements to things’.

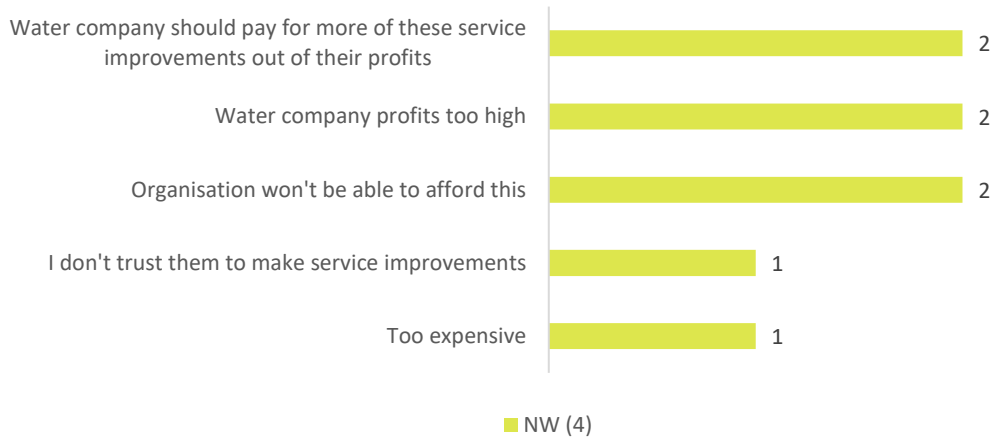
**Please select two reasons why you found NW / ESW's proposed plan acceptable.  
 (Non-household)**





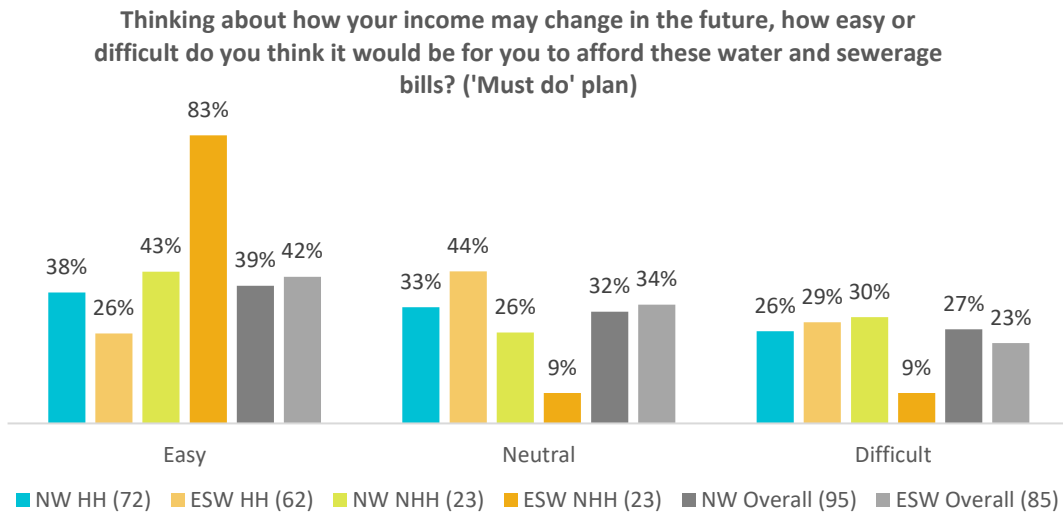
Four NW non-household respondents found the proposed plan unacceptable, with the reasons for this including ‘water company should pay for more of these service improvements out of their profits’, ‘water company profits too high’ and ‘organisation won’t be able to afford this’.

**Please select two reasons why you found NW's proposed plan unacceptable  
(Non-household)**



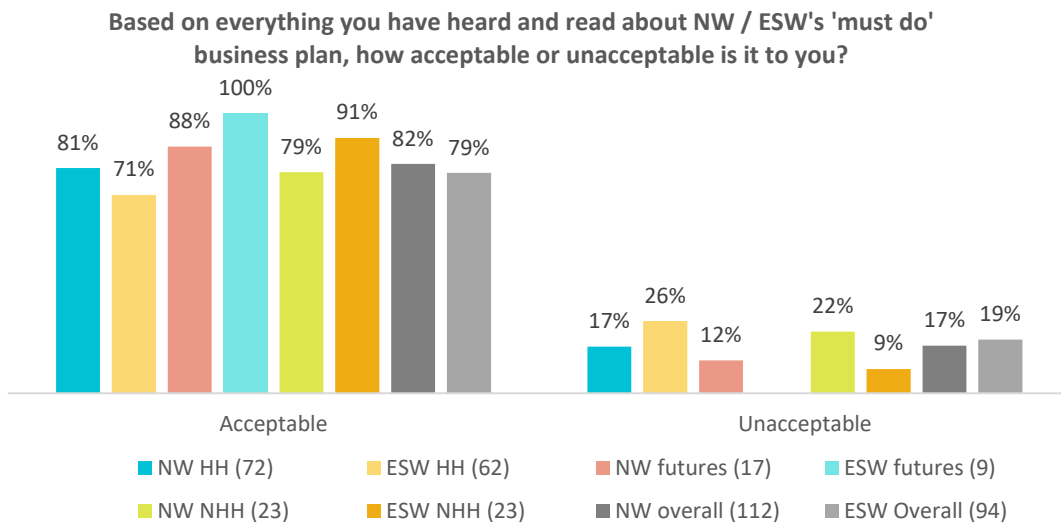
## The affordability of the ‘must do’ business plan.

The ‘must do’ plan was considered slightly more affordable than the proposed plan, with 39% of NW respondents thinking it would be easy to afford the changes (compared with 33% for the proposed plan) and 42% for ESW (compared with 38% for the proposed plan).



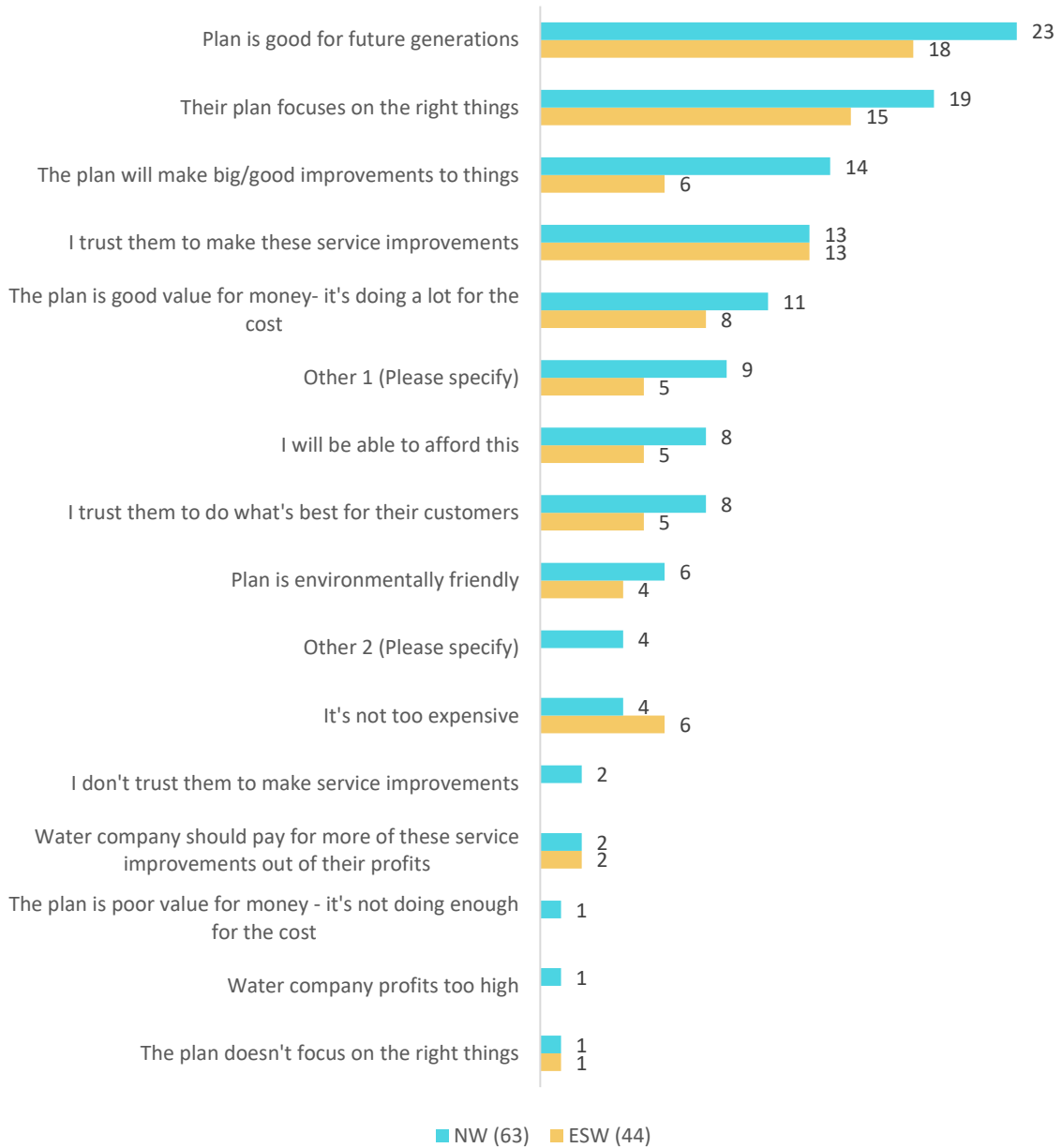
## The acceptability of the ‘must do’ business plan.

The ‘must do’ business plan was slightly less acceptable than the proposed plan, with 82% of NW respondents and 79% of ESW respondents agreeing that it was acceptable, compared with 88% and 80% respectively for the proposed plan. ESW household respondents were least likely to think the ‘must do’ plan was acceptable, with 26% finding it unacceptable.



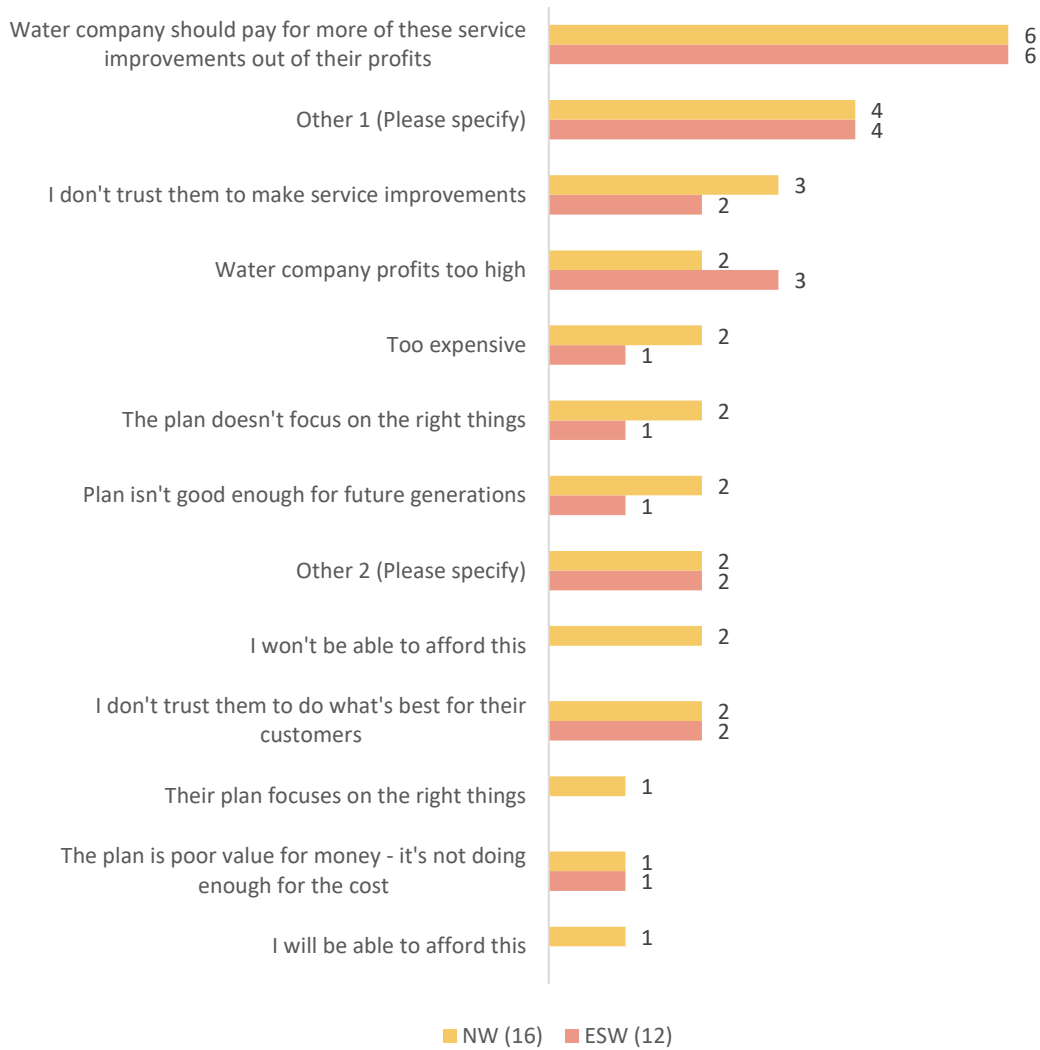
The 'must do' plan was found to be acceptable amongst household respondents in both regions mainly because the 'plan is good for future generations' and 'the plan focuses on the right things'. 'Other' responses focused on the fact the plan has to be carried out.

**Please select two reasons why you found NW / ESW's 'must do' plan acceptable.  
 (Household)**

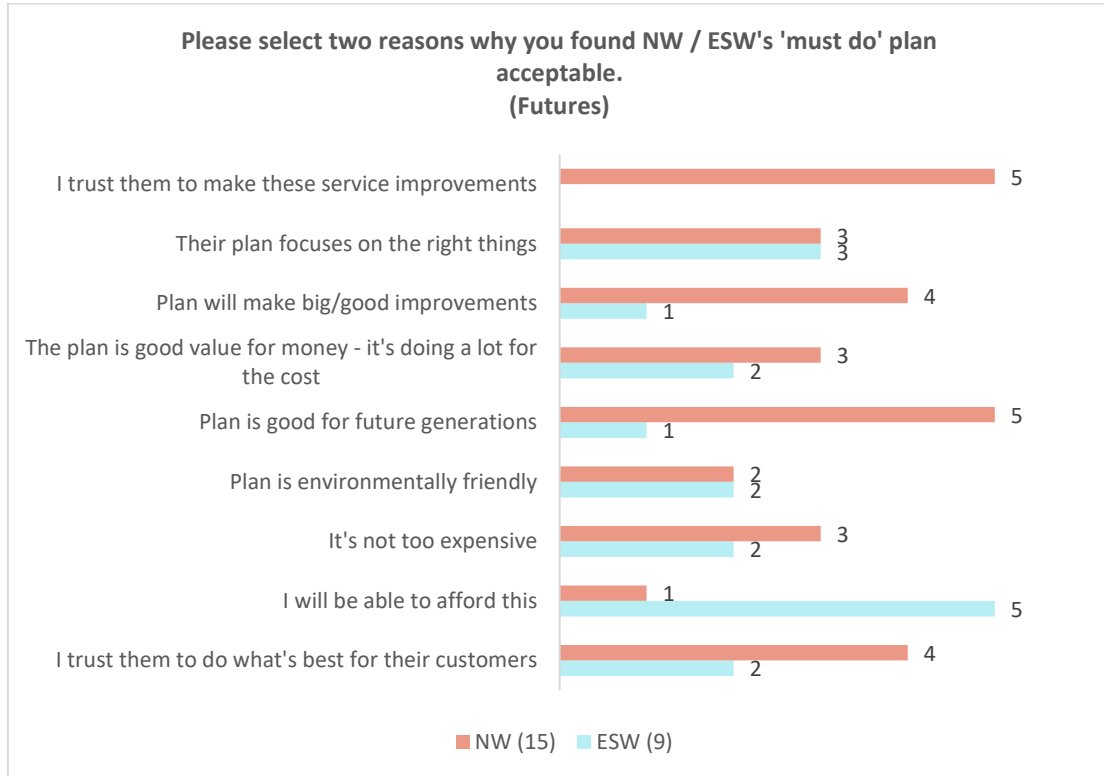


The number of respondents who thought the 'must do' plan was unacceptable was small, however the top reason was the same across both regions, and consistent with the main reason for the proposed plan, which was 'water company should pay more of these service improvements out of their profits'. 'Other' responses focused around the water company needing to do more than is in this plan.

**Please select two reasons why you found NW / ESW's 'must do' plan unacceptable.  
 (Household)**



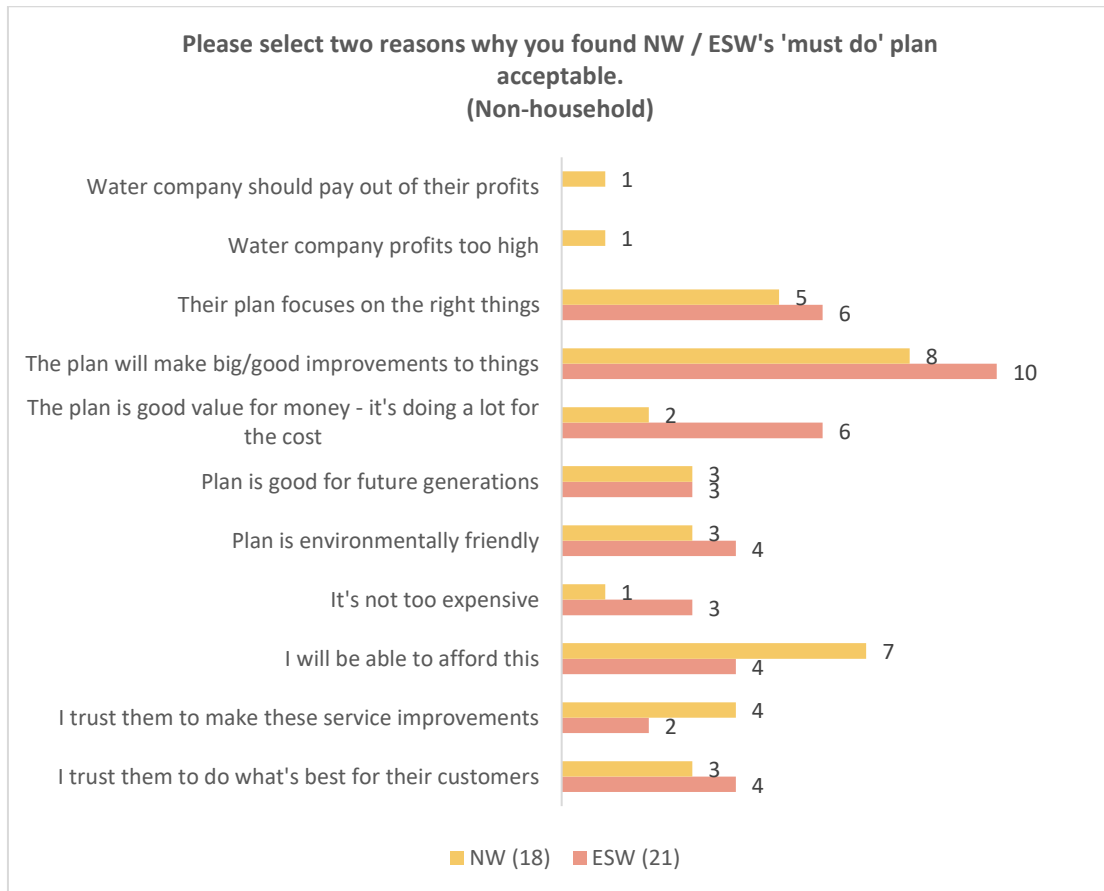
For NW future customers who thought the ‘must do’ plan was acceptable, the top reasons were ‘I trust them to make these service improvements’ and ‘plan is good for future generations’. For ESW the top reason was ‘I will be able to afford this’.



Future customers who thought the ‘must do’ plan was unacceptable all selected ‘other’ as their reason, and these responses were ‘the plan doesn't focus on environment’ and ‘plan is a premium cost for a minimum plan’.

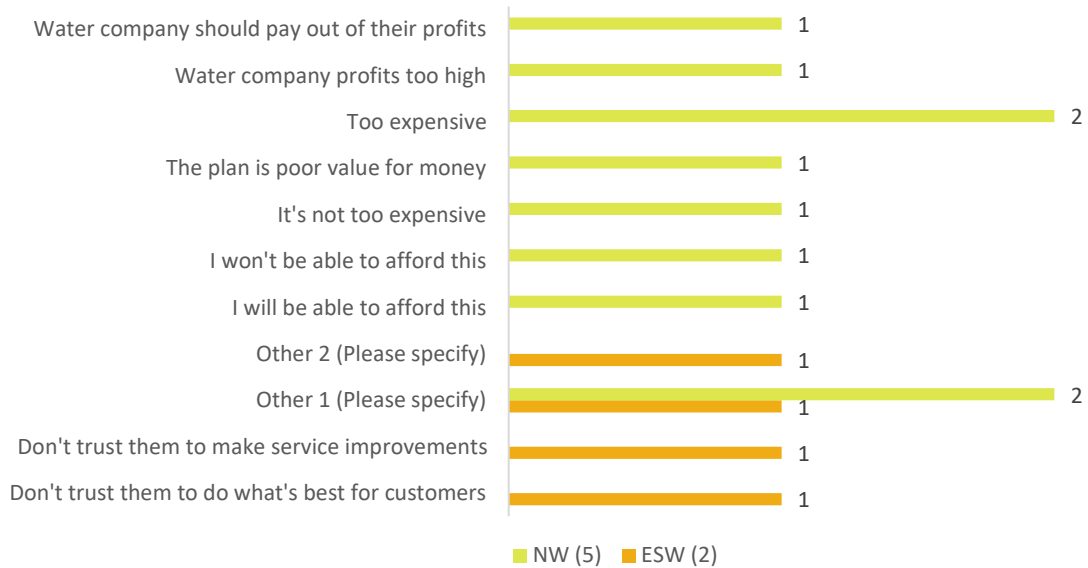


For non-household respondents who found the 'must do' plan acceptable, the top reason for both regions was 'the plan will make big / good improvements to things'.



A minority of non-household respondents found the 'must do' plan unacceptable, with reasons varying across both regions.

**Please select two reasons why you found NW / ESW's 'must do' plan unacceptable.  
 (Non-household)**

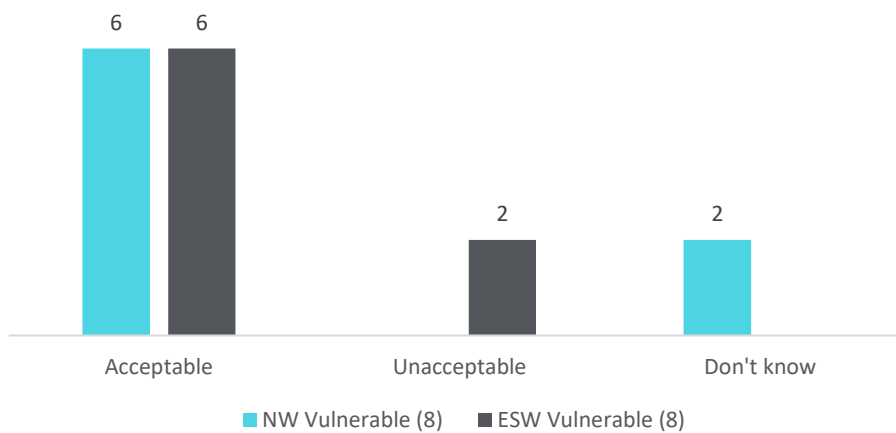




## The acceptability of plans to help vulnerable customers.

Vulnerable respondents were asked how acceptable or unacceptable NW / ESW's proposals for vulnerable services were. Due to the small base sizes here, the results have been shown in numbers rather than percentages. In both regions, six of the eight respondents found the plan acceptable, with two from ESW finding them unacceptable, and the remaining two from NW voting 'don't know'.

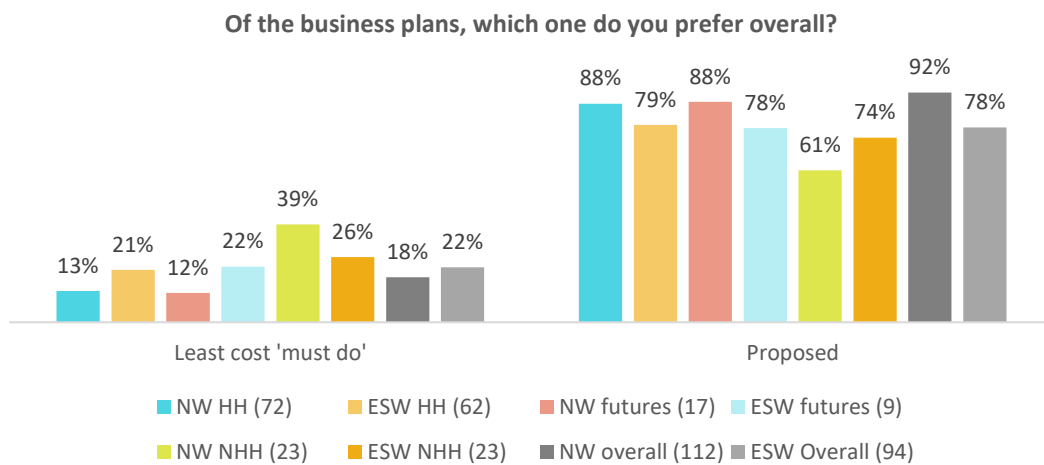
Thinking about NW / ESW's proposals for vulnerable services how acceptable or unacceptable are these to you?



## Preferences in the business plan (proposed or 'must do').

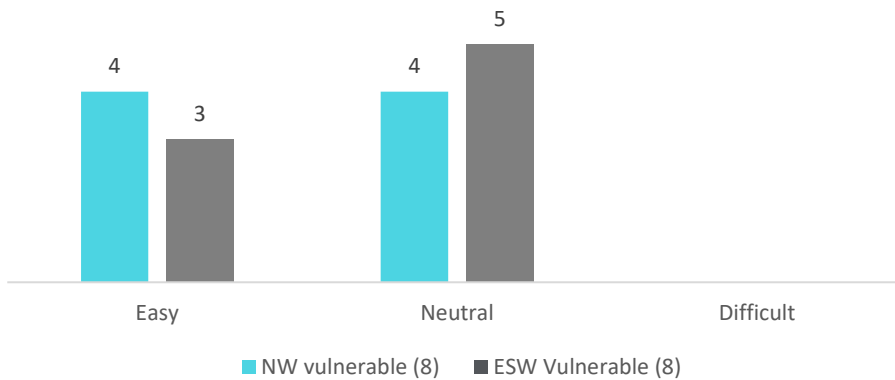
For all customer types, the proposed business plan was the preferred option, with 92% of NW respondents and 78% of the ESW respondents overall choosing this option.

However, for non-household respondents in both regions this preference was not as strongly evident as in other customer types. For NW non-household respondents, 61% preferred the proposed plan and for ESW this was 74%.



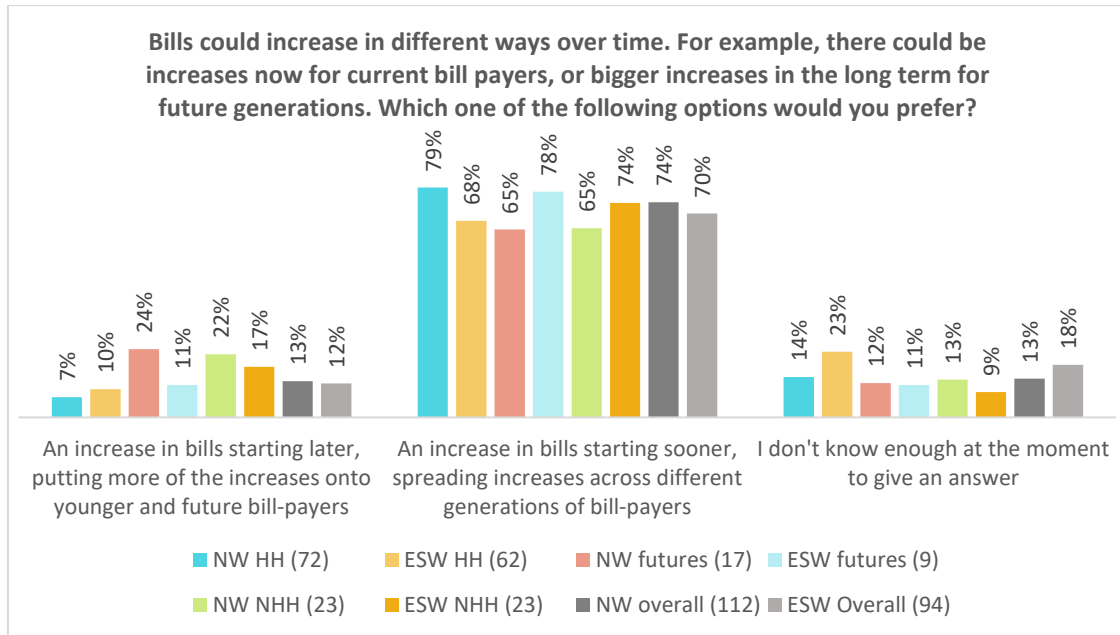
As vulnerable respondents who took part in the face-to-face interviews were not shown the two different plans, they were instead asked how easy or difficult it was for them to make up their mind about whether the proposed business plan was acceptable or not. Due to the low base sizes these results have been shown in numbers rather than percentages. No one said they found it difficult to make their mind up, with little difference between those who found it easy and those who were neutral.

**How easy or difficult was it for you to make up your mind about whether the proposed business plan was acceptable or not to you?**



## Preferences in the phasing of bill increases.

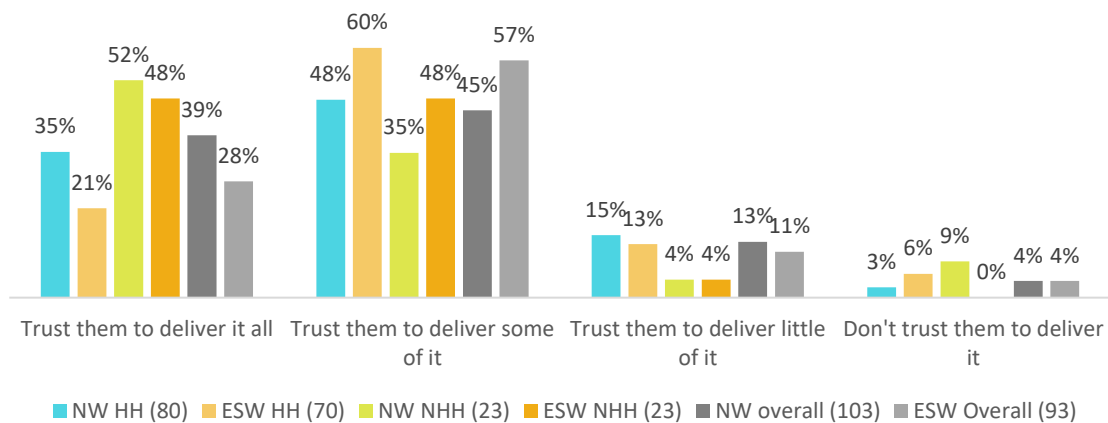
When thinking about how they would prefer the increases in bills to be split, the majority of respondents said they would prefer an increase in bills starting sooner, spreading increases across different generations of bill-payers. 74% of NW and 70% of ESW respondents said they would prefer this option.



## Confidence in delivering the proposed business plan by 2030.

The majority of respondents from each group said they trust NW / ESW to deliver either some or all of their proposed plan by 2030, with 84% of respondents from NW and 85% from ESW voting for one of these options.

To what extent, if at all, do you trust NW / ESW to deliver their proposed plan by 2030?



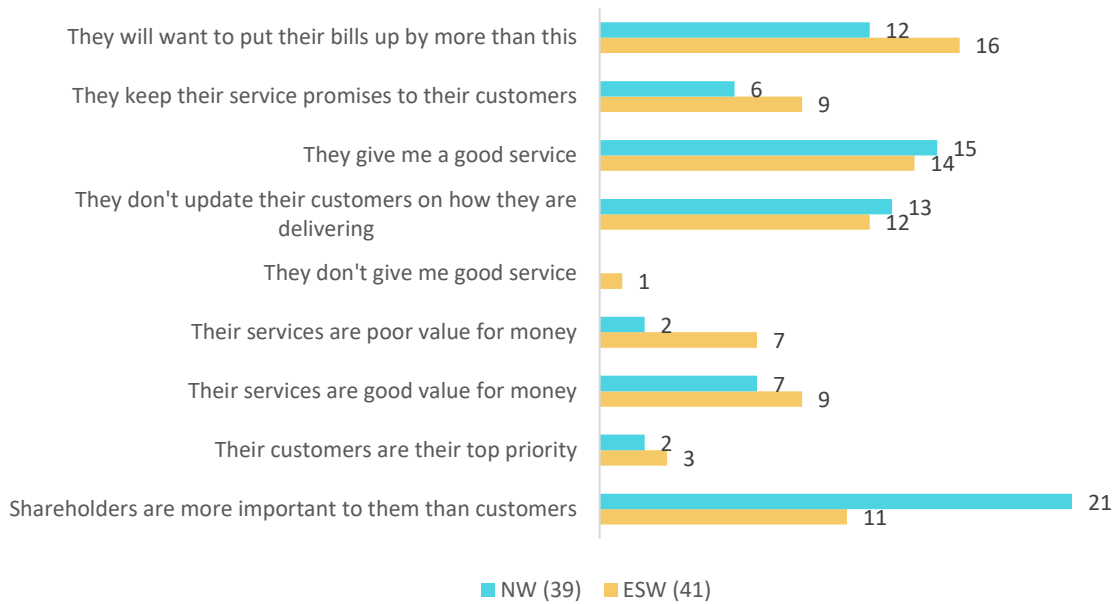
Respondents were then asked to give a reason for their response. Looking at household respondents, the main reasons across both regions for trusting their water company to deliver all of their proposed plan was ‘they give me a good service’ followed by ‘the services are good value for money’.

Please select two reasons why you trust NW / ESW to deliver all of their proposed plan. (Household)



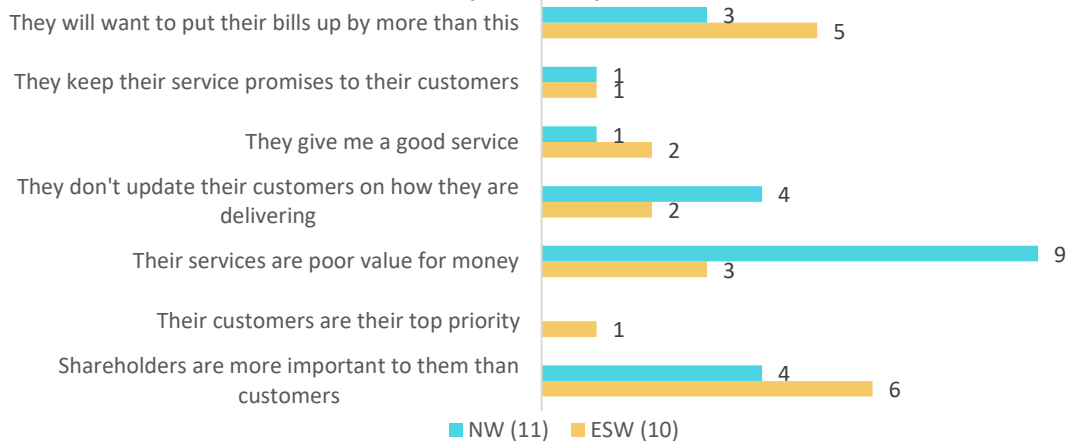
The main reason for NW respondents trusting their water company to deliver some, but not all, of their proposed plan was ‘shareholders are more important to them than customers’, whilst for ESW it was ‘they will want to put their bills up by more than this’.

**Please select two reasons why you trust NW / ESW to deliver some of their proposed plan.  
 (Household)**



For household respondents who trusted their water company to deliver little of their proposed plan, the main reasons were ‘the services are poor value for money’ (NW) and ‘shareholders are more important to them than customers’ (ESW).

**Please select two reasons why you trust NW / ESW to deliver little of their proposed plan.  
 (Household)**



For ESW respondents who didn't trust their water company to deliver any of the proposed plan, the main reason was also 'shareholders are more important to them than customers'.

**Please select two reasons why you don't trust NW / ESW to deliver any of their proposed plan.  
 (Household)**



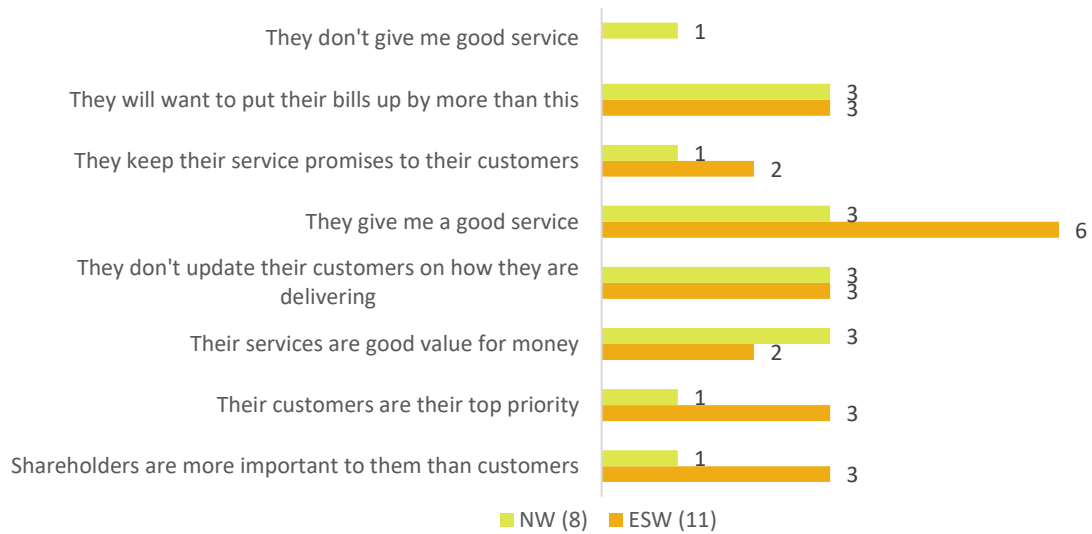
For non-household respondents, the top reason across both regions for respondents trusting their water company to deliver all of the proposed plan was 'they give me good service', along with 'they keep their service promises to their customers' for ESW. Please note, the below graph shows all responses received for this question.

**Please select two reasons why you trust NW / ESW Water to deliver all of their proposed plan.  
 (Non-household)**



For ESW non-household respondents who trust their water company to deliver some of the proposed plan, the top reason was the same as for those who trusted them to deliver all of it; ‘they give me good service’. Responses for NW respondents varied, with some negative reasons including ‘they want to out their bills up by more than this’, and ‘they don’t update their customers on how they are delivering’.

**Please select two reasons why you trust NW / ESW to deliver some of their proposed plan.  
 (Non-household)**



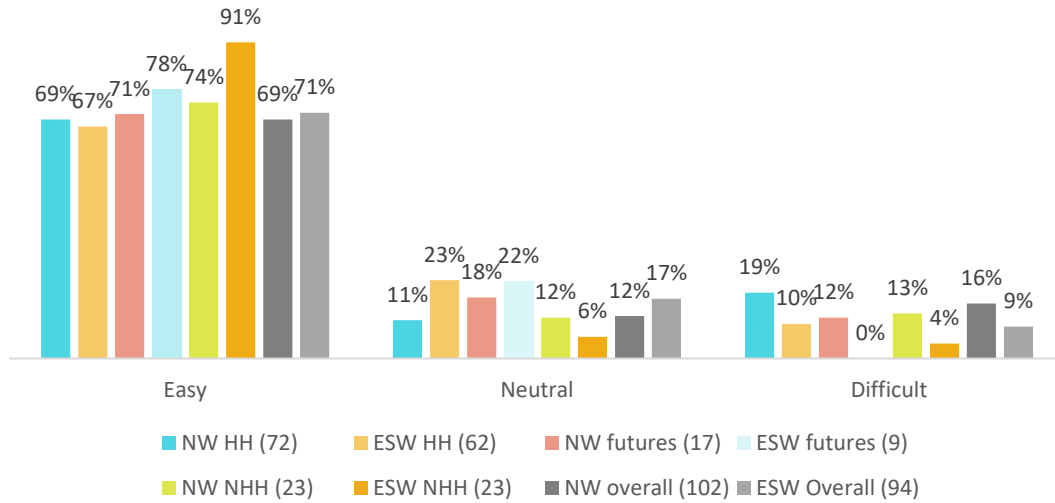
Base sizes for non-household customers who trusted their water company to deliver little or none of their proposed plan were very small (three for NW and one for ESW).






The majority of respondents thought it was easy for them to decide which plan they preferred, with 69% of NW respondents and 71% of ESW respondents finding it easy.

How easy was it, or otherwise, for you to decide which plan you preferred?



The logo for 'explain' is located in the top left corner. It consists of the word 'explain' in a lowercase, sans-serif font, with a small icon of a document with a folded corner to its right. The logo is white and set against a teal background.

explain

The background of the slide is a teal-tinted photograph of two women sitting at a table and talking. The woman on the right is in the foreground, looking towards the woman on the left. The woman on the left is smiling and looking back. There are water bottles on a shelf in the background.

**“Research should never  
be just for knowledge – it  
should be for progress”**

**Summary of results, compliance  
with the guidance and  
recommendations for the next  
phase of AAT.**

# Summary of results

## Summary of thoughts on the ambition of the targets proposed within the performance commitments.

Internal sewer flooding and pollution of waters were seen as the most important performance commitments for NW respondents, whereas for ESW respondents (who were not asked about the commitments related to wastewater) taste, odour and appearance of tap water and reducing leaking were thought to be most important. For most of the performance commitments, the majority of respondents thought the level of ambition was just right, with agreement higher across the board for NW than ESW. The only customer type where a significant proportion (although not the majority) consistently voted to see a higher level of ambition in all performance commitments was ESW household.

Overall, pollution of water was the commitment respondents were less likely to feel was 'just right', with 54% believing this commitment was not ambitious enough. Reducing leakage also had a higher-than-average proportion of respondents who thought these performance commitments were not ambitious enough, with 39% of NW respondents and 33% of ESW respondents voting this way.

## Summary of thoughts of thoughts on the importance of each enhancement, the phasing options and service level choices of each.

### Metering, water efficiency and leakage

This was an important area of investment amongst both NW and ESW respondents, with particular reference to the importance of reducing leakage in ensuring there is a continuous supply of water for everybody. Many respondents opted for the medium phasing option as they felt that, whilst this was an important area of investment, there were others that were more important. Further, several felt that the need for water efficiency was less important in the NW region than in other parts of the country, as this is not a water stressed area. There was also a sense that the middle phasing option was satisfactory because it would ensure that NW / ESW was compliant with Government targets. When thinking about which phasing option they preferred, bill affordability was important to these



discussions across both regions, with respondents aware that phasing would influence the final bill prices.

## Storm overflows

Investing in **storm overflows** was felt to be of paramount importance by household respondents. Underpinning this was a sense of the environmental impact of minimising storm overflow spills. Further, some respondents noted their strong desire to ensure clean bathing waters in the region and avoid any potential public health impacts from pollution incidents caused by storm overflow spills. The importance placed on this investment by household respondents was mirrored in their decisions in phasing options, with the higher phasing option often preferred. Some noted the potential benefit to future generations of addressing the reduction in storm overflow use as quickly as possible. For this reason, they were willing to accept the bill impact associated with the higher investment option. For several, there was concern that the higher phasing option was not realistic and if targets were not met in the PR24 period, customers would be required to pay the required bill increases plus a further higher value for work not yet carried out. It is important to acknowledge that there was some challenge regarding how this investment should be funded. The high bill impact involved, and the statutory nature of the targets, led some to question the role of NWL and the Government in financing the work.

## Asset health

The **maintenance of assets**, and thus ensuring a reliable service, was seen as a fundamental responsibility of NW/ESW and therefore of high importance for respondents across both regions. It was suggested across both regions that the maintenance or replacement of infrastructure was something that made good business sense, and therefore this investment was likely to be something that appealed to the business sector. NW respondents also noted that the provision of a reliable water and wastewater service was something that would impact all customers, in comparison to others that would impact some customers more than others (for example, storm overflows). For a notable number of ESW respondents, this was an important investment as it offered the opportunity to build a reliable and robust water supply system for future generations. Despite the commonly held views that this was an area of high importance, there were mixed views regarding the phasing option that NW/ESW should take. Some noted that they were satisfied that the medium phasing option would enable their water company to meet statutory obligations and that anything above this was not necessary and would put further burden on people by increasing bills further. Others however noted the importance of the investment to water supply and the small price increase between the medium and high options. A further perceived advantage of the higher option, identified across both regions, was that by



maximising asset replacement and repair in the PR24 period, it would hopefully reduce costs in the long-term. It was also suggested that the higher option would be preferred as this would be of benefit for future generations, and it didn't seem to fair to leave a bigger bill for those future generations.

## Investment to tackle regional flooding

Respondents felt that the investment to tackle regional flooding was of high importance. For many, they were strongly in favour of the investments benefits of the partnership work within the NW Integrated Drainage Partnership. They also noted both the low bill impact associated with this investment and the relatively high impact of not addressing flooding. Others felt that the high importance of this investment was underpinned by the impact of climate change, with flooding likely to be an increasing problem in the near future. Many respondents opted for the medium phasing option, noting favourably the relatively low bill impact of this choice and the highly beneficial impact of the investment.

## Resilience to climate change adaptation

There was a lack of consensus amongst respondents within both regions regarding the perceived importance the enhancement concerning resilience to climate change adaptation. For some, they felt confident that insuring assets against the impacts of climate change was necessary and important. For others, the investment seemed less important than others as a consequence of uncertainty regarding the impact of climate change. Notably, there was some challenge amongst respondents to NW and ESW articulating this investment as a newly identified issue. Several felt that the potential impacts of climate change have been understood for a long time and, consequently, this issue should have been addressed earlier. A minority of respondents across both regions felt that the higher phasing option was necessary, as they felt that the impact of climate change was certain and that this option provided a greater sense of reassurance that assets would be protected. In contrast, a notable number felt that they would opt for the medium level of investment as they were confident in NW/ESW's statement that they didn't feel the higher level of investment was necessary yet.

## Water supply options

For water supply options, ESW respondents voiced concern that they live in water stressed areas and, therefore, felt this to be an important enhancement. However, there were mixed views about the phasing option that should be pursued. Reflecting the importance of the investment, respondents often felt the higher phasing option was preferable. However, some also opted for the medium phasing



option. Importantly though, this option was often chosen with the caveat that they would have selected the higher option but felt prevented from doing so as a defined bill impact was not presented.

## Summary of thoughts on the impact of the customer / consumer / citizen persona on opinions.

There were mixed views across all customer types and enhancement discussions about whether viewing the enhancements as a customer, consumer or citizen would have an impact on opinions. Importantly, these viewpoints did not vary according to the enhancement under discussion.

Many felt they couldn't differentiate between the personas or that their views would not differ as they perceived themselves to be all three personas simultaneously. However, a common theme articulated throughout discussions was that viewing investments through the eyes of a citizen would mean they would push for a higher investment, whereas thinking as a consumer or customer forced them to be more aware of the cost implications.

## Summary of thoughts on the acceptability and affordability of the proposed and 'must do' business plans.

Within the post-task, when asked how easy or difficult it would be to afford their water (and wastewater) bills under the proposed plan, responses were fairly mixed between fairly easy, neither easy nor difficult and fairly difficult. Affordability for the 'must do' plan was slightly higher than the proposed plan. In discussions, respondents articulated concern over rising bills but acknowledged that investment by NW / ESW was necessary and important.

However, there was consistent challenge regarding who should be responsible for funding these investments. Customers were therefore looking for assurances in a number of ways:

- |   |   |   |   |
|---|---|---|---|
| That profits/shareholders were also used to fund investment (particularly in ESW who were concerned they already had one of the highest bills in the country) | Transparency in regards to progress and how money was being spent to achieve targets was important – customers wanted to know where their money is going and that wise investments are being made | That efficiency and innovation were considered first before increasing customer bills | Where commitments were not achieved, customers got their money back |
|---|---|---|---|



Within the post-task responses, the majority of respondents found the proposed plan to be acceptable, with 88% of NW and 80% of ESW respondents finding the plan acceptable. The 'must do' business plan was slightly less acceptable than the proposed plan, with 82% of NW respondents and 79% of ESW respondents agreeing that it was acceptable.

The proposed business plan was the preferred option, with 92% of NW respondents and 78% of the ESW respondents choosing this option. This was mirrored within workshops and in-depth interviews, where there was consistent preference for the proposed plan. Underpinning this, respondents discussed feeling the additional discretionary enhancements were necessary. They also noted the small increases between the two plans, feeling that the proposed plan offered better value for money.

Finally, within the post-task, the majority of respondents said they would prefer an increase in bills starting sooner, spreading increases across different generations of bill-payers.



# Compliance of research insights with the guidance.

Within the guidance it is stipulated that research should demonstrate evidence against a set of key analytical areas. These are listed below:

1. What participants most support about each version of the plan they saw and what they most dislike about each version the plan they saw
2. What the optimal version of the plan would be
3. Difference in views between people taking the perspectives of bill players, consumers and citizens and identify what the preferred plan would be from each perspective.
4. Difference in views across non-households where there are themes which are consistent as a qualitative scale
5. Views on phasing and intergenerational fairness across different segments
6. How each plan was viewed in terms of the effect on affordability
7. Any clear themes by segments where these are consistent at a qualitative scale
8. Acceptability of each version of the plan

The following section provides a brief summary of how the analysis presented within this report provides evidence regarding each one of these key analytical factors. Following this summary, a detailed index of evidence against each analytical factor is then presented.

Please note that difficulties in recruiting non-household customers with ten or more employees precludes an understanding of point four.





## What participants most supported and disliked about each version of the plan they saw.

Discussions around NW / ESW's level of ambition shared for each of the six performance commitments, demonstrated respondents were supportive. However, leakage and pollution were areas particularly where there was some appetite for greater level of ambition.

For pollution, respondents reflected on the importance of their local coastlines for themselves and their families now and in the future. They also queried why forecasted performance was no better than performance the company had achieved in previous years.

Respondents had a negative perception of leakage and were shocked at the amount of water lost to leakage. There was sentiment of the wastefulness inherent to leakage. For ESW respondents in particular, there was also an acknowledgment that a reduction was needed to ensure sufficient supplies in the future.

All bill enhancements were generally supported by respondents, reflected in their choice of medium or high phasing options. There was no appetite to push back investment beyond the PR24 period. The one exception to this was resilience to climate change, with respondents conflicted in their opinions regarding both climate change and its potential associated impacts. However, even within this investment respondents opted for the medium or higher phasing option.

Within both the storm overflow and the asset health enhancements in particular there was appetite for the higher phasing options.

## How each plan was viewed in terms of the effect on affordability.

Respondents articulated concern over rising bills but acknowledged that investment by NW / ESW was necessary and important. However, there was consistent challenge regarding who should be responsible for funding these investments and as such respondents were looking for a number of assurances as shown overleaf.



That profits/shareholders were also used to fund investment (particularly in ESW who were concerned they already had one of the highest bills in the country)	Transparency in regards to progress and how money was being spent to achieve targets was important – customers wanted to know where their money is going and that wise investments are being made	That efficiency and innovation were considered first before increasing customer bills	Where commitments were not achieved, customers got their money back
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Within the post-task, when asked how easy or difficult it would be to afford their water (and wastewater) bills under the proposed plan, responses were fairly mixed between fairly easy, neither easy nor difficult and fairly difficult. Affordability for the ‘must do’ plan was slightly higher than the proposed plan.

Within both regions, respondents noted the small increases between the ‘must do’ and proposed plans. For this reason, the proposed plan was considered to offer better value for money.

## What the optimal version of the plan would be.

Taken as a whole, this analysis demonstrates that the proposed plan was preferred, feeling that it offered the best value for money and a more acceptable level of ambition than the ‘must do’ plan. However, the greater level of ambition desired within leakage and pollution incidents indicates that an optimal version of the proposed plan would have a greater emphasis on these areas.

## Difference in views between people taking the perspectives of bill players, consumers and citizens and identify what the preferred plan would be from each perspective.

The customer, consumer or citizen viewpoint had little impact upon customer thoughts and opinions. Often respondents noted that enhancements were important regardless of viewpoint. However, there was also a common sense that a customer would wish to see minimal bill impacts, whereas a citizen would always choose the higher phasing option because the additional investments had wider societal benefits, including benefits for future generations.



## Any clear themes by segments where these are consistent at a qualitative scale.

Importantly, non-household respondents were comparatively more supportive of the 'must do' plan, with some commenting that the proposed plan did not hold sufficient advantages for business. Further, ESW household respondents were the group that consistently showed a higher level of ambition within all the performance commitments compared to other segments. They are also the group least likely to find the 'must do' plan acceptable.

## Views on phasing and intergenerational fairness across different segments.

Intergenerational fairness was a consistent theme across all discussions. Respondents frequently mentioned the need to not store up problems for future generations. Further illustrative of this is the consistent choice of either medium or high phasing options.

## Acceptability of each version of the plan.

Both plans were considered acceptable, however the preference in post-task polling and the deliberation was for the proposed plan. The 'must do' plan was considered to lack ambition and there was a sense that it did not offer enough security for water / water and wastewater supply in the future. Further, the relatively small bill increases between the two plans led to a conclusion that the proposed plan offered better value for money.



## Detailed index of evidence of compliance of research insights with the guidance.

What participants most supported about each version of the plan they saw	
Evidence	Index of evidence
Within both regions, overall polling showed that all customers wished to see NWL as an industry leader in the performance commitments presented to them.	Polling results, <b>page 76</b>
Within both regions, overall polling showed that customers were supportive of the level of ambition shown for the following performance commitments: (1) Internal sewer flooding; (2) External sewer flooding; (3) Unplanned interruptions; (4) Taste, odour and appearance of tap water.	Polling results, <b>page 77</b> Supportive thematic analysis, <b>pages 78 - 97</b>



<p>All bill enhancements were generally supported by respondents, with the exception of resilience to climate change where there were more mixed views.</p>	<p>Analysis of the ‘how important is this area of investment to you’ question posed for each enhancement:</p> <ul style="list-style-type: none"> <li>• Metering, water efficiency and leakage, <b>page 100</b></li> <li>• Storm overflows, <b>page 108</b></li> <li>• Improvements to asset health, <b>page 114</b></li> <li>• Investment to tackle regional flooding, <b>page 120</b></li> <li>• Resilience – climate change adaptation, <b>page 125</b></li> <li>• Water supply options, <b>page 131</b></li> </ul>
<p>In discussions for all enhancements, medium or higher phasing options were preferred. There was no appetite to push back investment in any.</p>	<p>Phasing option discussions for each investment</p> <ul style="list-style-type: none"> <li>• Metering, water efficiency and leakage, <b>page 103</b></li> <li>• Storm overflows, <b>page 109</b></li> <li>• Improvements to asset health, <b>page 116</b></li> <li>• Investment to tackle regional flooding, <b>page 121</b></li> <li>• Resilience to climate change adaptation, <b>page 127</b></li> <li>• Water supply options, <b>page 132</b></li> </ul>
<p>Within the enhancement ‘Investment to tackle regional flooding’ there was particular support for the benefits of partnership work provided within the Northumbrian Integrated Drainage Partnership.</p>	<p>Thematic analysis, <b>page 120</b></p>



What participants most disliked about each version of the plan they saw	
Evidence	Index of evidence
Within both regions, overall polling showed that there was a desire to see a greater level of ambition in the performance commitments ‘reducing leakage’ and ‘pollution of rives and bathing waters’.	<p>Polling results, <b>page 76</b>.</p> <p>Supportive thematic analysis ‘reducing leakage’, <b>page 91</b>.</p> <p>Supportive thematic analysis ‘pollution of rivers and bathing waters’, <b>page 96</b>.</p>
Within both regions, there were mixed views surrounding the enhancement ‘resilience climate change adaptation’. Respondents were conflicted in their opinions regarding both the existence of climate change and its potential associated impacts.	Thematic analysis of the ‘how important is this area of investment to you’ question posed for this enhancement, <b>page 125</b> .
Within both the ‘storm overflow’ and ‘asset health’ enhancements there was a desire to see the higher phasing options, indicating a desire to see a greater rate of progress than outlined in the plans.	<p>Thematic analysis of the discussions regarding the phasing options for these enhancements:</p> <ul style="list-style-type: none"> <li>• Storm overflows, <b>page 109</b></li> <li>• Improvements to asset health, <b>page 116</b></li> </ul>
Within the enhancement ‘Metering, water efficiency and leakage’ there was uncertainty regarding the benefits of water metering as a mechanism to encourage water efficiency.	Thematic analysis of the ‘how important is this area of investment to you’ question posed for this enhancement, <b>page 100</b> .
The ‘must do’ plan was considered to be not ambitious enough.	Thematic analysis of the ‘must do’ versus the proposed plan, <b>page 138</b> .



What the optimal version of the plan would be	
Evidence	Index of evidence
The proposed plan was preferred.	<p>Post task polling results on preferences in the business plan (proposed or 'must do') <b>page 170</b>.</p> <p>Thematic analysis of the proposed versus the 'must do' plan, <b>page 138</b>.</p>
The evidence provided concerning what participants most dislike about the plans indicates that they would also prefer a higher level of ambition in the performance commitments leakage and pollution. They would also be supportive of higher phasing options within asset health and storm overflow enhancements.	<p>Post task polling results on preferences in the business plan (proposed or 'must do') <b>page 170</b>.</p> <p>Thematic analysis of the proposed versus the 'must do' plan, <b>page 138</b>.</p> <p>Polling results of the level of ambition within each performance commitment, <b>page 76</b>.</p> <p>Supportive thematic analysis 'reducing leakage', <b>page 91</b>.</p> <p>Supportive thematic analysis 'pollution of rives and bathing waters', <b>page 96</b>.</p> <p>Thematic analysis of the discussions regarding the phasing options for these enhancements:</p> <ul style="list-style-type: none"> <li>• Storm overflows, <b>page 109</b></li> <li>• Improvements to asset health, <b>page 116</b></li> </ul>



Differences in views between people taking the perspectives of bill payers, consumers and citizens and identify what the preferred plan would be from each perspective	
Evidence	Index of evidence
This was not articulated differently for any enhancement specifically.	Persona discussion for each enhancement: <ul style="list-style-type: none"> <li>• Metering, water efficiency and leakage, <b>page 107</b></li> <li>• Storm overflows, <b>page 112</b></li> <li>• Improvements to asset health, <b>page 118</b></li> <li>• Investment to tackle regional flooding, <b>page 122</b></li> <li>• Resilience - climate change adaptation, <b>page 130</b></li> <li>• Water supply options, <b>page 133</b></li> </ul>
Often respondents noted that enhancements were important regardless of viewpoint.	
There was also a common sense that a customer would wish to see minimal bill impacts, whereas a citizen would always choose the higher phasing option because the additional investments had wider societal benefits, including benefits for future generations.	

Differences in views across non-households where there are themes which are consistent as a qualitative scale	
Evidence	Index of evidence
None apparent in this research. However, the low numbers of non-household organisations with 10 or more employees may preclude this.	n/a





Views on phasing and intergenerational fairness across different segments	
Evidence	Index of evidence
Views did not differ substantially across segments, with common themes articulated by all groups regarding all enhancements. There was no support for lower phasing options.	<p>Phasing option discussions for each investment</p> <ul style="list-style-type: none"> <li>• Metering, water efficiency and leakage, <b>page 103</b></li> <li>• Storm overflows, <b>page 109</b></li> <li>• Improvements to asset health, <b>page 116</b></li> <li>• Investment to tackle regional flooding, <b>page 121</b></li> <li>• Resilience to climate change adaptation, <b>page 127</b></li> <li>• Water supply options, <b>page 132</b></li> </ul>
Within the discussions regarding the enhancements ‘storm overflows’ and ‘improvements to asset health’, there was specific discussion of the benefit to future generations.	<p>Thematic analysis of ‘Storm overflows’, <b>page 109.</b></p> <p>Thematic analysis of ‘Improvements to asset health’, <b>page 116.</b></p>
<p>Post task polling found that ‘benefits for future generations was a commonly cited reason for finding the proposed plan acceptable.</p> <p>This was supported by thematic analysis of discussions regarding the plans, with benefit for future generations noted as a reason for favouring the proposed plan.</p>	<p>Post task polling citing ‘plan is good for future generations’ as a main reason for supporting the proposed plan, <b>page 158.</b></p> <p>Thematic analysis on proposed plan, <b>page 138.</b></p>
Post task analysis on ‘how bill increases should be phased’ found a strong preference across all customer types for an increase in bills starting sooner.	<p>Polling results, <b>page 172.</b></p>



How each plan was viewed in terms of the effect on affordability	
Evidence	Index of evidence
Post task polling revealed that both the proposed and 'must do' plans were considered affordable. However, the 'must do' plan was found to be slightly more affordable.	Polling results for the proposed plan, <b>pages 156</b> . Polling results for the 'must do' plan, <b>pages 162</b> .
Post task polling revealed a mixed view regarding whether respondents in both regions would struggle to afford both the 'must do' and proposed bills in the PR24 period.  This is lack of consensus regarding the personal affordability of bills was supported by a finding of the thematic analysis, in which respondents struggled to discuss affordability as they found it be a highly subjective concept.	Polling results for the proposed plan, <b>page 156</b> . Polling results for the 'must do' plan, <b>page 162</b> .  Thematic analysis referring to the subjectivity of affordability, <b>page 137</b> .
Views on affordability were ascertained in a context in which respondents discussed concern over the wider impact of bill increases but acknowledged a sense that water and wastewater bills offered a better value for money than other utility bills.	Thematic analysis referring to concern over rising bills, <b>page 69</b> . Thematic analysis referring to water bills offering good value for money, <b>page 135</b> .
Within enhancement discussions, overall bill affordability was discussed as a reason not to opt for the higher phasing option within the enhancement 'metering, water efficiency and leakage',	Thematic analysis, <b>page 103</b> .



Any clear themes by segments where these are consistent at a qualitative scale	
Evidence	Index of evidence
Post task polling indicated that non-household respondents were more supportive of the ‘must do’ plan compared to other groups.	Polling results, <b>page 170.</b>
non-household respondents were more likely to articulate support for enhancements that appealed to them as business people. For example, ‘Improvements to asset health’ was favoured as it related to the core business of NWL and therefore made good business sense. Further, ‘Improvements to tackle regional flooding’ was preferred as it represented large scale infrastructure developments.	Thematic analysis of non-household respondents thoughts concerning the importance of ‘Improvements to asset health’, <b>page 114.</b>  Thematic analysis of non-household respondents thoughts concerning the importance of ‘Improvements to tackle regional flooding’, <b>page 121.</b>
Polling indicated that Essex & Suffolk Water household respondents were comparatively more likely than other groups to vote for a higher level of ambition within all the performance commitments. Post task polling analysis also revealed that they were also the group least likely to be supportive of the ‘must do’ plan.	Polling results, <b>page 79, 82 and 91.</b>  Post-task polling analysis results, <b>page 170.</b>
Northumbrian Water future respondents were more likely than household and non-household respondents to consider the level of ambition shown in the performance commitment ‘external sewer flooding’ to be just right.	Polling results, <b>page 88.</b>

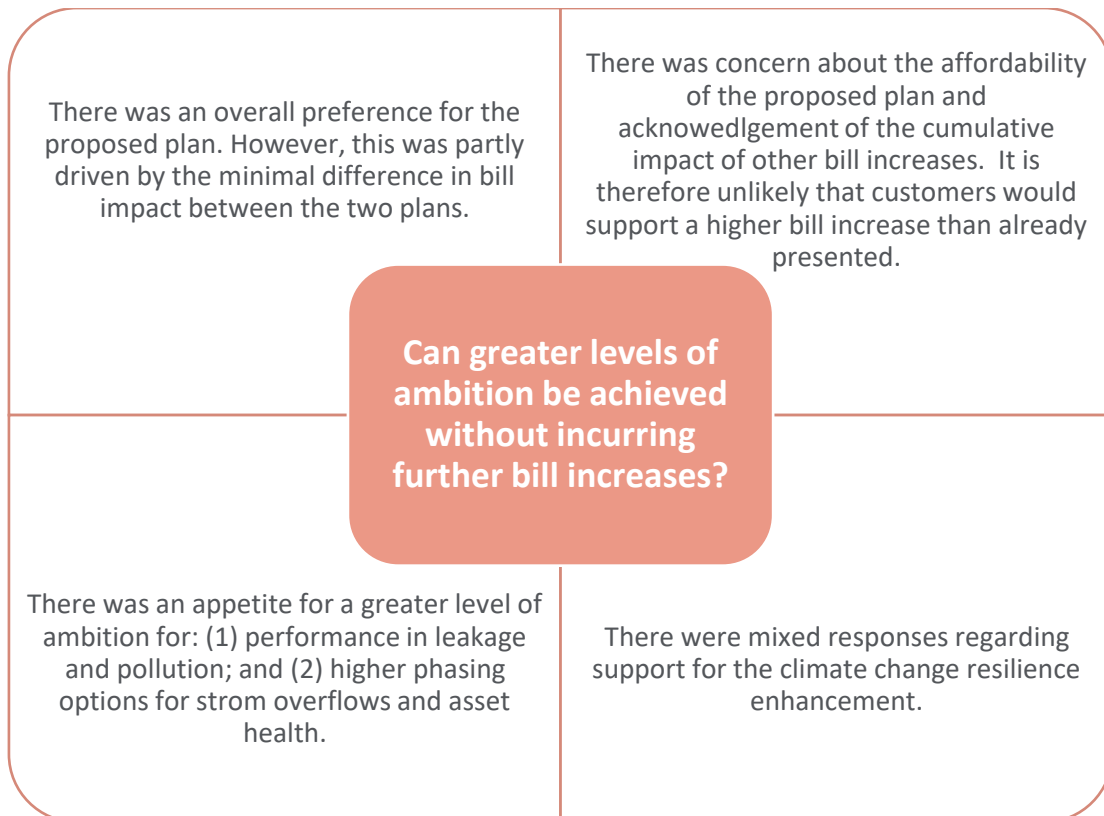


Acceptability of each version of the plan	
Evidence	Index of evidence
Post task analysis indicated that the proposed plan is more acceptable for both regions and for all customer types.	Polling results, <b>page 170</b> .
Thematic analysis of respondent discussions regarding the benefits of both plans found that ‘must do’ plan was not considered ambitious enough, but the proposed plan offered reassurance that water supply would be protected in the future.	Thematic analysis ‘thoughts on proposed vs ‘must do’ plan’, <b>page 138</b> .
Thematic analysis of respondent discussions regarding the benefits of both plans reflected little price difference in the two plans. Therefore, the proposed plan was considered to offer better value for money.	



# How the preferred business plan can be made more acceptable to inform options for refinement.

The findings from this qualitative phase of AAT will be used to shape the plan that will be tested in the subsequent, quantitative research. In doing so, it will be important to consider the following key findings and how they lead to a critical question to be considered by NWL.



In addition, the business could consider the additional challenges from customers around funding the investment and transparency as detailed below.

<p>That profits/shareholders were also used to fund investment (particularly in ESW who were concerned they already had one of the highest bills in the country)</p>	<p>Transparency in regards to progress and how money was being spent to achieve targets was important – customers wanted to know where their money is going and that wise investments are being made</p>	<p>That efficiency and innovation were considered first before increasing customer bills</p>	<p>Where commitments were not achieved, customers got their money back</p>
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