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Retailer and Non-household research report

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Section 1: Executive Summary

Retailer key findings

- As noted elsewhere in this report, findings on retailers are based on in-depth interviews with three retailers ([redacted] [redacted] and [redacted] and an interview with Northumbrian Water Group (NWG) Account Managers. In this summary, where we refer to "retailers" we are only referring to the selection we interviewed, cross-referenced against insights offered by NWG. In the full findings below (Section 2) we naturally go into more detail about the market and specific retailers.

- [redacted] is a large organisation who mostly inherited their customer base, and [redacted] and [redacted] are smaller retailers who have joined the market with a unique perspective, targeting specific types of customers. The retailers we spoke to typically work within very small margins and focus on metering and billing. However, retailers are now beginning to work more competitively and offer value-added service to their customers.

- The most important aspect of retailers' work is billing their customers the right amount to ensure the retailer's business is financially viable. Beyond this, retailers also focus on providing good customer service in order to retain customers, and on helping customers reduce their bills through water efficiency measures.

- This means that retailers fully rely on metering data for the smooth running of their operations and staying financially afloat. Therefore, they are most concerned about issues around data quality and smart metering, and this is the main topic of their feedback to NWG.

- In general, the retailers we spoke to are satisfied with their relationship with NWG and feel that NWG is responsive and helpful to work with. However, [redacted] and [redacted] feel that their contact with NWG is insufficient; they want to be engaged more proactively.

- Retailers we spoke to want to move beyond a transactional relationship with NWG to focus on more long-term and strategic aspects of work, and to collaborate to address industry-wide issues.

- Retailers have limited views on what NWG should be prioritising for PR24. This is partly because retailers don't feel particularly impacted by NWG's service priorities; they feel that NWG is much better placed to take a view. Nonetheless some NWG service priorities are felt to be important by retailers - in particular water efficiency, customer experience and improving the environment - because these could have an indirect impact on retailers' relationship with their customers.

- Meter readings are key to retailers' work, and any metering issues cause retailers a lot of frustration. This is something they would like wholesalers to prioritise – both by improving market data for long unread meters and vacant properties, and by rolling out smart meters across Non-Household Organisations (NHHs).

- Smart meters would be a very positive move according to retailers, as this would allow them to get more accurate reads, avoid leaks and wastage, and save money and administrative costs. There are some perceived issues, such as who owns smart meter data, but retailers feel these could be addressed through engagement with retailers. They feel that large NHHs and/or high-volume users should be prioritised in any roll-out.

- Retailers generally feel that the quality of NWG's data is acceptable and that it has improved somewhat recently. However, there are several key areas where they feel their experience might be improved:
  + Allowing retailers to update fields in the core IT system, CMOS. At present, CMOS can only be updated by the wholesaler; in the retailers' experience, however, CMOS isn't always up to date and the retailer may actually hold the more accurate information
  + Smoothing out data-sharing processes across platforms and parties (e.g. Temetra - the platform which holds meter read data; Meter Field Services - NWG's meter reading service; NWG; and retailer)
  + Adding notifications to the NWG Hub, or a workaround so retailers know what they need to address, ahead of the full roll-out of the Bilateral Hub (a new online system set up by MOSL to pass requests, instructions or process updates between retailers and wholesalers)

- Standardisation of policies and tariffs would be welcomed by most retailers we spoke to, as the variation across wholesalers adds a layer of complexity both for NHH customers and retailers. However, retailers recognise that this transition would be challenging, and that this is not something that NWG is expected to lead on.

Non-Household Organisation key findings

- The cross-section of NHHs who participated in our research is very diverse, not just in terms of size and sector, but also in terms of attitudes, motivations, challenges, and pressures when it comes to water.

- The structure of the market – with the division of responsibility between wholesaler and retailer – is more or less understood, but creates separation: the NHHs we spoke to feel distant from NWG. Ironically, the lack of bad press about NWG is also a factor in this sense of separation. Unlike other water companies who appear in the media, such as Southern Water, NHHs have little sense of what NWG represents or stands for – good or bad.

- Water supply is the most important thing for the NHHs we spoke to, ahead of the environment, which itself is ahead of asset health (and wastewater, in Northumbrian Water's operating area):

  + Water supply is the most obvious "deliverable" which NHHs see every day and many of them utterly rely on. In both operating areas there is a widespread perception that the quality of drinking water is variable, with many NHHs mentioning issues around taste, smell, colour and clarity.
  + The environment is a strong personal issue but doesn't uniformly affect the NHHs we spoke to: for every organisation striving for carbon net zero status there is another for which it has no impact on what they do as an organisation. This said, notions of being responsible and not being wasteful – the language of sustainability – chime with most NHHs we spoke to, especially in the context of the cost-of-living crisis, which is affecting them in a number of ways, including the soaring costs of gas, electricity, and raw materials; the tightening of belts among clients and customers, leading to reduced expenditure; and customers and clients defaulting on payments.

  - Asset health is clearly important when we probed beneath the surface of participants' top of mind views, particularly when discussing interruptions caused by leaks, which some NHHs tell us have caused major disruption – and larger NHHs are especially aware of the interconnection between asset health (and the complications of dealing with an ageing infrastructure), water supply, and the environment.
  - Wastewater is less important because it's generally out of sight and out of mind, and is rarely associated with problems.

- On balance the NHHs we spoke to are favourable towards smart meters – they offer transparency, control on spend, and the ability to measure and control efficiency. Downsides are mentioned – including the fear that costs would rise, particularly for those on fixed deals – but most would favour a roll-out.

- Most NHHs we spoke to are attempting at least some water efficiency measures, but most would value more input and leadership from NWG on how to use water more efficiently.

- Affordability is a hot topic for the market in general, in the context of rising costs for utilities and materials, and the knock-on effect of customer belt-tightening. However, water is considered to be a very small expense relative to others, so addressing affordability, whilst potentially of some benefit to NWG's reputation, is not a burning issue for the NHHs we spoke to.

- Feelings towards Ofwat's BR-Mex proposal are at best neutral, and many of the NHHs we spoke to oppose the idea of funding rewards for wholesaler service to retailers.

Recommendations

The following recommendations are based on Yonder's analysis and interpretation of the challenges facing retailers (based on our in-depth research across three retailers) and NHHs, and the opportunities which we believe present themselves to NWG.

RETAILERS	
Relevant engagement & business support	NWG might consider how they can better service retailers' business strategies (acquisition, retention) and move beyond day-to-day transactional problem solving: e.g. work with retailers to develop more coherent water efficiency strategies
	Engage closer retailers in more strategic conversations, and offer more opportunities for more distant/smaller retailers to engage
	Given widespread lack of real interest in PR24, only provide retailers with updates on NWG plans in the areas that are most relevant (reliability, water efficiency, the environment and customer service) to enable better cut through and engagement
Data quality and metering	Engage with retailers struggling with vacant properties and long unread meters: if possible, offer solutions
	Prioritise improving meter data sharing on Temetra and give retailers more control over some of the fields on CMOS so they can update the database directly
	Communicate clearly about the division of responsibility between NWG and Meter Field Services (MFS)
	Consider a wider roll-out of the approach whereby NWG and MFS exchange information without the retailer's involvement (currently being piloted with [redacted]
	Add notifications to the NWG Hub, or a workaround so retailers know what they need to address
Smart meter roll-out	Provide retailers with a timeline on smart meter roll-out since NWG is perceived to be lagging behind other wholesalers on this
	Prioritise large NHHs and high-volume water users in roll-out
	Manage expectations around type of meters and availability of data since retailers have no preference
Tariffs	Provide simple information (e.g. a flowchart) to help retailers identify the correct tariffs and dispensations so customers are paying the right amount for their bills
R-MeX	Focus on key issues of data quality and metering noted above, which are key to retailer needs and have the potential to increase R-MeX scores (address issue of whether retailers can be allowed to update CMOS; smooth out data sharing processes across platforms and parties such as Temetra, MFS, NWG and retailer; add notifications to NWG hub)

NHHs	
Relationship with NWG	Improve general communications around NWG's purpose, goals, and principles – who is NWG? What does it stand for? – and provide clarity on the division of responsibility between retailer and wholesaler
Water supply	Address issues of water quality, both in general and when they arise – what NWG is doing about water quality; inform and educate NHHs around water quality and what to do in the event of perceived quality issues
	Communicate clearly in the event of disruptions – give advance notice, information about likely impact and duration, and regular updates on progress
Environment	Give clearer messaging around NWG's goals and commitments around the environment and sustainability. There is scope for targeting NHHs for whom sustainability is also a USP
	Increase relevance of environment by focussing on issues that directly impact organisations, such as not being wasteful with water rather than (for example) biodiversity
Asset health	Improve communications around NWG's plans to upgrade an ageing infrastructure – what needs doing, and timeframes
Water efficiency	Provide more targeted communications around how NHHs can increase water efficiency measures. Different types of organisation will require different messaging, ranging from education, support with using devices, messaging for staff, case studies, and the interaction between metering data and efficiency
Smart meters	For the roll-out of smart metering, prioritise larger NHHs, many of whom are already sophisticated users of data, and ensure clear communication around benefits as well as addressing potential objections (for example, the fear that costs would rise)
Affordability	Demonstrate NWG's commitment to affordability. Recognition of how NHHs are struggling, and emphasising that help is available if needed, has the potential to increase positive PR

Section 2: Background and methodology

Background

Yonder was engaged by Northumbrian Water Group (NWG) to conduct research among retailers and Non-Household Organisations (NHHs), in order to provide insights around what retailers and NHH customers prioritise and want from their services over the next five years and beyond. In particular, NWG wanted to explore specific questions around various aspects of their work, such as metering, affordability, and service delivery.

Yonder undertook a qualitative approach to understand the perspective of both retailers and NHHs. The fieldwork was carried out between 12th October and 10th November 2022.

Objectives

For the retailer phase:

- Understand what drives retailers' responses to R-MeX, and provide recommendations which will enable NWG to improve their scores and rank higher in the R-MeX table
- Understand what improvements to data quality retailers would like to see, on the understanding that data is key to their satisfaction
- Explore retailers' views concerning the possibility of standardisation of policies and tariffs across the wholesale industry
- Understand retailers' priorities and expectations around metering and the roll-out of a smart meter programme for NHHs, as well as the impact of this roll-out, specifically:
    - Which types of properties should be prioritised in a roll-out
    - Compatibility of smart meter technology with retailers' systems and which model(s) of smart meter they would like NWG to install
- Explore retailers' views on what NWG should focus their PR24 business plans on

For the Non-Household (NHH) phase:

- Explore NHH's understanding of the water market, and particularly the division between wholesaler and retailer
- Understand NHH priorities, expectations and satisfaction around NWG's wholesale service
- Explore NHH's views on a meter replacement programme and smart meter roll-out, and how they feel this would impact them
- Understand what water-efficiency support NHH customers are currently receiving, and what support they would like to receive
- Understand NHH's concerns around affordability, and their expectations around support – and who they would want to receive this support from (NWG or their retailer)
    - And particularly, the views of mixed-use households, where a property has the same water and wastewater connection for domestic and NHH parts
- Receive NHH feedback on an Ofwat BR-MeX proposal which would allow NHHs to provide feedback on wholesalers' relationships with retailers

Methodology for retailers

Yonder undertook site visits with retailers. This allowed us to immerse ourselves more fully into the retailer experience, to talk to multiple members of staff in a time-efficient way, and to gain greater engagement and insight than would have been possible using remote methodologies. Being physically present allowed us to reach members of staff that we most wanted to hear from, and offered the opportunity for ad hoc intercepts with additional staff. It also gave us the opportunity to observe real-time behaviour such as interactions, usage of space, and usage of data platforms.

The engagement with retailers took the form of one site visit per retailer which lasted between two and four hours. During the site visit a Yonder researcher interviewed a range of contacts across relevant teams, such as CEO, CFO, Head of Operations, and Account Managers. Researchers used a topic guide and stimulus agreed with NWG (see Appendix).

The initial aim was to include 10 retailers in the research programme. The process of engaging retailers was as follows:

+ Retailers were approached initially by their NWG Account Manager to introduce the research and invite them to take part
+ Contact details of retailers who were willing to take part were shared with Yonder, who followed up individually to arrange a meeting
+ Where difficulties were encountered securing participation, NWG assisted with further engagement with retailers

Ultimately three retailers took part in the research: [redacted] [redacted] and [redacted] We didn't receive a response from all retailers, but those who declined to take part did so for one of the following reasons:

+ Non-availability or lack of capacity to take part
+ Some felt that NWG already had enough information from them through R-MeX and their regular contact with the account management team
+ Some felt they didn't have a sufficiently strong relationship with NWG and/or they only had a small number of customers in the Northumbrian Water/Essex & Suffolk Water operating areas

To supplement the insights gained from site visits, Yonder also conducted an in-depth interview with NWG Account Managers. This allowed us to "sense-check" and dig deeper on findings from retailer interviews. The retailer section of this report is based on insights from retailers themselves; consultation with NWG Account Managers was for the purpose of clarification and framing appropriately, not insight. Commentary from NWG Account Managers is included within the report, marked separately.

Methodology for Non-Household Organisations

Overall 31 NHHs took part in the research, from across NWG's operating areas in the North East, Essex and Suffolk. We spoke to NHHs of various sizes and across different sectors, including private, public and non-profit organisations. A full breakdown of sample can be found below.

Participants were recruited by specialist recruitment agencies around the country, using sample and screener developed in agreement with NWG (see Appendix). We initially allowed four weeks for recruitment. This timeline was extended to six weeks (whilst keeping our reporting deadline in place) as it proved challenging to recruit the precise mix of organisational types that we were aiming for. Our initial aim was to recruit 45 NHHs in total; our final target of 31 still contained a good mix across region and organisational type (see breakdown below).

We carried out the research across two stages to allow NHHs to reflect and respond in a considered fashion.

- STAGE ONE: All 31 NHHs took part in a four-day online research community:
  + Participants contributed for around 20 minutes per day, at a time convenient to them
  + They responded to a number of questions and activities across a range of topics, some individually and some in discussion with other participants
  + See Appendix for list of questions and activities used in the community

- STAGE TWO: 28 NHHs who took part in the community took part in focus groups of between 2 and 5 participants, the week after the research community:
  + Focus groups were conducted online via Zoom, and each group lasted 90 minutes except in the following two instances, which lasted 75 minutes each:
    + Education (two participants only)
    + Mixed-use micro (very small organisations)
  + In all cases the allotted time was sufficient to gain the insights required, particularly given that participants were already "primed" by the first research phase
  + Researchers followed a topic guide which was agreed with NWG (see Appendix)
  + Focus groups were moderated by Yonder, and each was observed by at least one observer – a mix of NWG personnel and other interested parties, for example members of the Northumbrian Water and Essex & Suffolk Water Forum and its Customer Engagement Panel

Sample details

NHH participants: Community phase

TYPE OF NHH	OVERALL	NORTHUMBRIA	ESSEX	SUFFOLK
MIXED-USE MICRO*	4	0	3	1
MICRO/SMALL: 0-49 EMPLOYEES (NOT MIXED-USE)	13	9	3	1
MEDIUM: 50-249 EMPLOYEES	7	2	4	1
LARGE: 250+ EMPLOYEES	4	2	2	0
EDUCATION	3	2	0	1
TOTAL	**31**	**15**	**12**	**4**

	OVERALL	NORTHUMBRIA	ESSEX	SUFFOLK
PUBLIC	5	1	2	2
PRIVATE	24	12	10	2
NOT FOR PROFIT	2	2	0	0
	OVERALL	NORTHUMBRIA	ESSEX	SUFFOLK
WATER-DEPENDENT**	16	6	9	1
WATER NON-DEPENDENT***	15	9	3	3

*NHHs were defined as "mixed-use" if they said yes to the following two questions:

+ Is your organisation's premises mixed with a domestic home (i.e. a shop with flats above, or a business with living premises at the back)?
+ Are you personally responsible for the paying the water bills in the domestic home attached to your business premises?

**NHHs were defined as water-dependent if they agreed with the following statement:

+ As an organisation we are reliant on water for our business operations (i.e. cooking, cleaning, producing drinks, watering, swimming pools etc)

***NHHs were defined as water non-dependent if they agreed with the following statement:

+ As an organisation we mostly use water for typical domestic uses (i.e. drinking, washing hands and toilets)

NHH participants: Focus Group phase

FOCUS GROUP NUMBER	TYPE OF NHH	NUMBER OF PARTICIPANTS
1	Micro/small: 0-49 employees (not mixed-use)	5
2	Micro/small: 0-49 employees (not mixed-use)	4
3	Medium: 50-249 employees	4
4	Large: 250+ employees	4
5	Education organisations	2
6	Mixed-use micro	4
7	Micro/small and medium	5
TOTAL		28

Reading this report

The parts of this report which focus on NHHs bring together findings from both research stages. Across the report we have noted where findings differ by size or type of organisation; where this is not specified, the finding is generally true across all organisations we spoke to.

Section 3: Retailers

Retailers: main priorities

SUMMARY	OPPORTUNITIES
– Retailers place great emphasis on billing customers accurately – They have strategies in place to acquire and retain NHHs – They promote value-added services e.g. water efficiency: sustainability is often high on their agenda	– NWG might consider how they can better service retailers' desire to add value and move beyond day-to-day transactional problem solving

Retailers have a mostly transactional role, which means they are focused on day-to-day operations to keep things running smoothly. They generally have high overheads and make small margins, which means that staying afloat can be challenging. Their main priority is ensuring billing is accurate. Since they generally pay wholesalers in advance for the water they sell, they rely on receiving the correct amount from customers to keep the books balanced.

"98% of the business resource works on the meter-read-to-cash pipeline" – [redacted]

The retailers we spoke to want to make sure they are retaining their customers through good customer service, as well as gaining more customers through switching. Another way that retailers have recently begun to increase their margins is through providing additional value-added services to their customers, across water and other utilities, such as water audits (offered by [redacted]

Different retailers have different niches as they all try to stand out in a crowded market. They do this mostly by targeting different types of NHHs, as differences in pricing or service are marginal.

"Wholesalers don't understand it. They're very different to us, almost a charmed reality compared to other businesses [...] Debt is problematic for us, we foot all the bad bills if customers don't pay" – [redacted]

Retailer case studies

[redacted] describe themselves as a “small fish in a big pond” compared to other retailers: they are fairly new to the market with a relatively small customer base, comprising a range of small to large NHHs such as golf clubs, commercial properties, and charities. Their USP is championing sustainability and efficiency for clients. Of the six wholesalers they deal with, they have the smallest proportion of business and the least amount of contact with NWG, and they feel that this has the potential to change.

[redacted] have a start-up mentality and are relatively small, with around 60k customers. Their focus is on providing their customers with as simple a service as possible. They are tech-focused, ethics-focused and brand themselves as modern and bright. Their customer base is mostly customers who have switched to them from other retailers, and they are looking to expand beyond the water sector for these customers. Their business model means they are doing well financially, and have opportunities to work on longer-term and more strategic projects on water efficiency and expanding internationally.

[redacted] mostly work with ex-NWG and ex-Anglian Water customers, with around 300k customers. They are a large retailer who are focused on providing good customer service to their current customers rather than winning new business. They recognise that they are not the cheapest retailer, but aim to provide a better experience than other retailers might. To improve their margins, they are currently developing their offer of value-added products such as leak tests, stop tap tests and water audits.

NWG Account Manager commentary

NWG Account Managers confirmed that most engagement with retailers concerns market transactions such as meter reads, wholesale prices and tariff updates, as well as resolving customer issues. Beyond this, they say it is hard to collaborate with retailers since retailers are focussed on billing and metering, which doesn’t run smoothly and often takes longer than expected to get sorted.

NWG Account Managers agree that the biggest opportunity for retailers to increase revenue is in value-added products and services like water efficiency and addressing sewer blockages. The retailers look to wholesalers to join up some of this work. This is a positive for NWG, since it can help support any campaigns or help tackle issues that NWG are facing – especially since wholesalers are not in a position to offer any of these value-added services.

The relationship with Northumbrian Water Group

SUMMARY	RECOMMENDATIONS
– NWG are well respected in the wholesaler market. Retailers with higher numbers of NWG customers have a better relationship with NWG – Desire to have more clarity on who is responsible for key areas such as long unread meters – Some retailers feel there a lack of available contact points at NWG i.e. if primary contact unavailable	– Engage closer retailers in more strategic conversations, and smaller retailers (who have small number of NWG customers) more frequently – Clarify the responsibilities around key activities e.g. long unread meters – Provide retailers with multiple (secondary) points of contact

The retailers we spoke to highlighted how important it is for them to maintain a positive working relationship with NWG – this is especially the case for retailers who have many customers in NWG service areas. They feel that NWG is well respected in the industry, through their work on best practice and participation in working groups.

"We live and die by our relationship with NWG" – [redacted]

However, there are differences across the retailers we engaged. Amongst our sample, those who have a larger proportion of NWG customers are – maybe naturally – more in contact with NWG. And newer/smaller retailers find communications more occasional and distant. This is compounded where there is less contact with the water market (e.g. where the retailer is focussing on other utilities). Furthermore, we feel, this lack of contact may well be a reflection of the relative infancy of the market, and development opportunities still exist.

Indeed, the retailers we spoke to – albeit a small sample – want more communication with NWG and want to be kept up to date on NWG's future plans to identify any initiatives where collaboration between parties would be beneficial.

"I would expect to hear more from NW… I don't know what they're doing. If anyone said to me 'What are United Utilities doing, what are Affinity Water doing, what are Thames doing?' over the next 3, 4, 5 years I know exactly what they're doing. I should be able to tell customers 'This is what Northumbrian are doing'" – [redacted]

One of the main challenges that both wholesalers and retailers are encountering is the issue of responsibility. For many aspects of work, the roles do not feel delineated for either party and many are unsure who is responsible for certain activities, for example long unread meters and vacant properties. This causes frustration among retailers, and means that certain aspects of work fall in between the cracks or get deprioritised.

A number of people we spoke to at retailers have one point of contact at NWG, and even those who are satisfied with the service provided by this contact are concerned that this person may be stretched across multiple retailers or strands of work. This can cause a bottleneck or make it hard for the retailer to escalate more complex issues. There is a desire for greater collaboration and future planning with NWG across the retailers we spoke to, which retailers feel they are not currently getting through their day-to-day interactions with NWG staff.

NWG Account Manager commentary

NWG Account Managers engage with retailers once a quarter (mostly on Teams, but aim to meet face-to-face once a year). Retailers are also encouraged to reach out in between meetings. Whilst [redacted] – having the most NWG properties – is in touch on a daily basis, other retailers are much harder to meet with and engage with the wholesale market only occasionally.

Service priorities

SUMMARY	RECOMMENDATIONS
– Retailers had little to feed back on in terms on service priorities, as most of these issues are outside of their remit	– Provide retailers with updates on NWG plans in the areas that are most relevant (reliability, water efficiency, the environment and customer service)

Overall, the people we spoke to at the retailers are not engaged by NWG's service priorities and performance. Generally, retailers expect NWG to plan out their own PR24 activities and identify which areas need independent review. They feel other aspects of NWG work are more relevant to them, and that it would be more valuable for them to input on those areas.

Even for a retailer with a high number of NWG customers [redacted] service issues are felt to have a relatively low impact on their work. Although they do worry that repeat issues could have an impact on their reputations as retailers, this has rarely been an issue. In consequence, all retailers had little to no feedback on priority areas.

Nonetheless, retailers have views or suggestions across some of the service areas:

+ **Reliable services**: Generally, this isn't an issue that retailers feel impacted by, beyond their customer service team – and only if an issue is long lasting. NWG is also considered to be one of the best wholesalers at paying retailers compensation swiftly and proactively when issues do arise (Guaranteed Service Standard payments). For their customers, a business priority register would be of interest, and retailers said they would be happy to help with such an initiative by identifying potential NHHs for this.

+ **Water efficiency**: There is interest because this is one area where retailers can impact customers' bills and sell higher-value products to customers. Discussed more below.

+ **Customer experience**: This is important to retailers as customer-facing businesses, and they feel their reputation is also impacted by their customers' interactions with NWG. They expect NWG to provide simple and customer-friendly communications about service issues.

+ **Affordability**: Retailers have some interest in this area, but generally don't feel it is relevant since bills aren't that high.

+ **Innovation**: Some members of retailer staff are impressed with NWG's commitment to innovation through events e.g. innovation festivals, but want to see this rolled out in practice across the organisation, particularly in welcoming new technologies that would help with data quality and efficiency.

+ **Improving the environment** is of interest because of customer focus in this area, and retailers' own work on reaching Net Zero.

Retailers were less able to input on the following areas, although they expect NWG to be working across them:

+ Resilience
+ Clean and clear water
+ Sewage and flooding
+ Supporting communities

Water efficiency focus

Water efficiency is the main way that retailers can help their customers reduce their bills, since the wholesale price isn't flexible. This makes efficiency a key sales point for retailers.

Retailers are already working on water efficiency with their customers to reduce their bills, but also through value-added services such as water saving advice, consultations and products. These products have higher margins and help retailers manage in a competitive and low-margin market. This is a relatively new area of focus for many retailers.

Retailers want to work with NWG to make improvements on water efficiency, and some are already working on water saving campaigns with other wholesalers. Some people we spoke to have a sense that NWG isn't very active on this because it isn't an issue that has particular relevance in the North.

"We've worked with a lot of other wholesalers on this. Northumbrian are notable in their absence" – [redacted]

"If they came and worked with us on the sustainability side we'd do a lot more business in their area" – [redacted]

NWG Account Manager commentary

NWG Account Managers confirmed that retailers have little interest in PR24 since the detail has little impact on them: they are just interested in wholesale charges and retail margins. Retailers have been engaged on these topics but have little to say on most of them – with the exception of water efficiency and environment, if this aligns with their organisational focus.

Meter readings

SUMMARY	OPPORTUNITIES
– Receiving accurate meter readings is essential to retailers, and any issues will impact their books – Long unread meters and vacant properties are an ongoing issue, and retailers want support from NWG	– Work with retailers towards improved solutions for vacant properties and long unread meter issues – NWG and Meter Field Services (MFS) to exchange information directly

Issues around meter readings are closely linked to issues with data quality, and there are specific concerns around the management of long unread meters and vacant properties.

Long unread meters are one of the main issues that retailers face. This has an impact organisationally and reputationally, and a significant financial impact. For one, customers may not be paying the right amount for their water, so when a meter does get installed or finally read, the customer may end up with bills that are higher than expected (or higher than before), or needing a rebate, which impacts customer experience and the retailer's cash flow. Secondly, there is a financial penalty incurred for long unread meters.

"We've got a lot of long unread meters still in the market: some predate market opening. They're a bit of an accident waiting to happen because when you do read them and consumption is massively higher or lower than what you've been building as estimates, that's not a good customer experience" – [redacted]

"The biggest problem in the industry is meter reading… [Other wholesalers] interact with us, they say 'you've got meters that haven't been read, can we help get them read, would you like to use our meter reading service?" – [redacted]

"Long unread meters is a real issue for us. We're taking on problems from previous retailers… there are meters that haven't been read for 20 years. That's our responsibility but it's a market problem… no-one knows where the meter is." – [redacted]

Vacant properties are also an issue for retailers. The process of identifying properties and working out whether they are in use or not requires a lot of time and effort, and retailers don't always have the resources to focus on this. There are further complications for retailers when vacant properties are combined with long unread meters. [redacted] estimates that half of the long unread meters that fall under their remit are inside vacant premises so can't be read by them, and they then have to pay a financial penalty.

"If we don't put meter reads in each month, CMOS estimates three times what the yearly volume is, so you get penalised if we don't put the reads in… That estimation covers the wholesalers" – [redacted]

Since NWG doesn't bill for vacant properties, retailers assume it's not a priority for NWG to de-register these types of properties from the market, which is frustrating for them.

Old meters are also widespread across the market, and the onus on replacing these (alongside broken meters) is on retailers. Retailers feel this isn't right, since the meters are wholesaler assets. They ask for more support from NWG and other wholesalers in helping to identify and replace these meters.

"It's the wholesaler that manages when these meters should be replaced… That's where the wholesaler and retailer are pointing fingers at each other, and the real question is who pays for it?" – [redacted]

Relationship with NWG's meter reading service – Meter Field Services (MFS)

Retailers perceive MFS to be part of the same organisation as NWG. However, MFS is split out from the wholesale service since it is a commercial service, to avoid any compliance issues. Due to this, MFS and NWG cannot share information freely between one another. However, as retailers don't see this distinction, they find it frustrating having to deal with both bodies independently. For instance, retailers often have to pass information from MFS to NWG (or vice-versa) and don't understand why this communication can't be done directly.

The fact that the separation between the two organisations isn't clearly understood is having an impact on NWG's reputation, since retailers consider issues with meter reading to be NWG's responsibility.

In particular, this includes concerns around 'skip' performance – where readers are not getting any data from certain properties, particularly for those where information is incomplete – which retailers report to be higher than for other wholesaler meter reading providers (around 14% higher according to [redacted]

At the time of our site visits, [redacted] had just begun a pilot with NWG whereby NWG and MFS exchanged information without the retailer's involvement. However, this had been going on for less than a month so it was too early for the retailer to feed back on the pilot.

NWG Account Manager commentary

NWG Account Managers confirmed that long unread meters and vacant properties are a significant issue for retailers to overcome. They cited issues with meter read contractors and resourcing issues. For instance, 20% of NWG NHHs are marked as vacant. Whilst addressing this is retailers' responsibility, NWG account managers recognise it is a significant challenge. NWG is currently supporting retailers in identifying vacant properties – and NWG Account Managers point out that this service has been carried out free of charge for the last four years – but retailers then need to deal with those vacant properties.

NWG Account Managers also found that retailers were confused about the relationship between NWG and Meter Field Services. Other wholesalers do not have this split between wholesale services and commercial reading service within the same organisation.

Data quality

SUMMARY	OPPORTUNITIES
– Data quality can be improved, and still needs matching to other available data – The use of standardised market platforms can make things easier	– Provide retailers with more control over certain fields in CMOS – Smooth out data sharing processes so they are more efficient – Improve NWG hub so more efficient to use: e.g. add (push) notification forms when comments added

"It's all going to be about data cleansing for the next few years… It's a massive piece of work in the industry as a whole" – NWG Account Manager

Retailers generally feel that the quality of NWG's data is acceptable, and that is has somewhat improved recently, but that there is still work to do and improvements to be made.

Retailers and wholesalers regularly work with two main market platforms:

+ CMOS: shared platform which holds market data (e.g. addresses and meter locations)
+ Temetra: standardised platform which holds meter read data

There is considerable work involved in matching data across Temetra, CMOS, and customer billing information. In general, the retailers we spoke to want more automated data sharing and collaboration to resolve the issue of matching this data. Retailers and wholesalers hold different information about customers and existing systems, which means it's time consuming to exchange ever-changing information about customers.

[redacted] in particular is critical of CMOS: much of the data initially fed into the platform, especially on meter location, is incorrect, which causes issues down the line. For example, where meter locations are wrongly specified this creates extra work when reading meters, or in some cases makes it impossible to locate a meter.

"It's a hangover from deregulation, where there was a push to put all the data in a database, but there was no care about if it was correct data… We can't say NW are the worst, because they're all like that" – [redacted]

Within CMOS, there are a number of changes that retailers would like to see:

+ A lot of fields are completed by meter readers or wholesalers with a star only, which means they look complete even though they are blank. This makes it challenging to send people out to re-check the information or provide a new meter read.
+ Address data isn't always detailed, which makes things challenging. If it's wrong, the customer may refuse to pay, which means the retailer incurs the debt. However, some of the retailers have been working with NWG on using Unique Property Reference Numbers (UPRN), which has been helpful.
+ Retailers would like more control over some of the fields in CMOS, so they can update them with more accurate, up-to-date information. These fields can only be changed by the wholesaler, and the retailer may actually hold the more accurate information.

When it comes to Temetra, the retailers we spoke to are positive about NWG's use of the platform. They find that NWG uses it well, and better than other wholesalers, which allows them to be more agile and responsive. However, there are still some improvements required, and processes seem to vary from retailer to retailer.

For example, even with Temetra, sharing metering information between NWG and [redacted] is challenging. [redacted] has to wait twice a week for NWG to send an Excel sheet of meter reads which they've downloaded from Temetra, because those reads are not visible to [redacted] Then [redacted] needs to upload that data to its own systems. [redacted] feels this process is more time-consuming for both parties than necessary.

Retailers would also like NWG to share meter read data with them for free. Other wholesalers currently share meter reading information for free, so this is frustrating for retailers.

NWG Account Manager commentary

NWG Account Managers confirmed that NWG does not read all NHH meters as this became a retailer responsibility at market opening, and that Meter Field Services (MFS) set up a commercial meter reading service which is open to all retailers, at a cost. NWG Account Managers pointed out that other third party companies also offer meter reading services, and they believe that this would be a more expensive option than MFS (since MFS is already in the vicinity of NHHs reading domestic meters). However, NWG Account Managers are not privy to these costs as MFS is a separate organisation.

Retailers argue that the wholesaler owns the market data, so they are frustrated that they are having to spend money to improve the accuracy of the data and identify vacant properties or long unread meters. Retailers have found solutions and are working with different companies to find meters, or sweep online data sources to quantify the likelihood of a property being vacant. However, this is more expensive than regular meter reads.

"The vast majority of the data in the market is wholesaler data… They're the owner of those data items. If they're wrong, it's us that get burned rather than them" – [redacted]

Retailers had some suggestions on how NWG could help improve data quality:

+ Give MFS meter readers more time to find meters (window of time is too short and can lead to 'skips')
+ Support retailers to find some of the long unread meters using NWG's own data and resource
+ Work with retailers on identifying vacant properties and locating and repairing or replacing broken meters

The Hub

MOSL has recently rolled out a new Bilateral Hub – an online system to pass requests, instructions or process updates between retailers and wholesalers. This roll-out has improved retailers' perception of data quality, since data systems are now more streamlined and the industry is using the same platform. This is seen as a positive by retailers.

Some issues with the previous NWG Hub do remain, as not all processes have yet moved to the Bilateral Hub (namely verifications of supply, meter verifications, meter exchanges, tariff queries and leak allowance requests).

Each wholesaler uses a different hub, and quality is perceived to vary. The NWG Hub is considered to be one of the worst by retailers we spoke to. It is hosted on SharePoint which isn't user-friendly, and feels 'outdated' compared to other wholesaler platforms. The system also requires retailers to enter all the information about a customer each time they submit a request to NWG, which is very time-consuming and could be hugely simplified. Other wholesaler hubs currently pull data from various sources to save time and avoid data entry errors. Additionally, the NWG Hub is the only one without a notification system, which makes collaboration harder than necessary.

Whilst retailers feel it understandable, with the imminent arrival of the Bilateral Hub, that NWG have not invested in a new system, they do feel NWG should have invested more resources earlier on to mitigate difficulties in the interim.

Retailers suggested specific improvements that could be made to the NWG Hub:

+ Improving the forms for entering property details so not all fields are obligatory
+ Add a notification system to the NWG Hub so retailers and wholesaler know when forms or comments have been added to the system
+ Faster response to forms: for instance retailers mentioned delays on customer-requested connection (up to months at a time) which means customers are getting billed for water they're not using

NWG Account Manager commentary

NWG Account Managers agree that meter readings and consolidating data will be a major undertaking for the water industry, and feel that it needs addressing as a priority.
NWG Account Managers confirmed that the roll-out of the Bilateral Hub has helped resolve retailers' frustration around data sharing, but recognise it still has limits. The roll-out has taken longer than expected, and in the interim retailers are frustrated with the NWG portal because it is hard to use. Account Managers feel NWG is in a difficult position: it's hard to justify investing in an existing system when a new one is becoming available.

Smart meter roll-out

SUMMARY	OPPORTUNITIES
– Retailers are very positive about smart meter roll-out and want to see NWG do it as soon as possible – Smart meters would support both customers and retailers – Retailers feel large NHHs and high-volume water users should be prioritised in roll-out	– Provide retailers with a timeline on smart meter roll-out, since NWG is felt to be behind other wholesalers – Manage expectations around type of meters and availability of data, since retailers have no preference

A smart meter roll-out is a top priority for retailers, as regular and accurate reads are essential to the running of their business model.

Getting regular and successful reads means that retailers can run their operations smoothly, and retailers have set high standards for the regularity of meter reads. For instance, [redacted] wants all of its customers to have their meters read at least every six months to ensure customers are billed accurately. [redacted] is encouraging its customers to install data loggers to work around this issue.

"If we have successful reads, all operations work...[and] the billing works!" – [redacted]

The retailers we spoke to feel that NWG is behind the curve when it comes to smart meter roll-out. Other wholesalers have already started rolling out smart meters to NHH customers, or have outlined clear plans to do so in the coming years. Retailers feel that NWG have been promising a smart meter roll-out for a while, but that no plans have yet been shared. Although they would prefer a roll-out as soon as possible, they at least want to know when NWG will start the roll-out so they can plan accordingly.

"Customers can get billed on their actual usage. We can monitor leaks... There's not a negative thing to say [about smart meters]. We need something now, not in a year's time." – [redacted]

Indeed, retailers we spoke to feel the uncertainty around smart meter roll-out may well be preventing NHHs from investing in AMRs or data loggers since they're waiting for word on smart meters.

For retailers, smart meters have key benefits for their business and beyond:

+ Ensuring regular and accurate reads, and avoiding 'bill shocks' for customers
+ Tackling the issues around long unread meter and ageing (less accurate) meters
+ Identifying potential leaks early on
+ Providing customers with more information about their usage, especially if it increases dramatically
+ Supporting customers to reduce their water usage
+ Reducing carbon emissions, as meter reading is one of the main sources of carbon in the supply chain, and helping retailers meet the Net Zero target
+ Saving money on meter reads, which currently cost retailers
+ Reducing admin overheads in processing data

But there are also some concerns:

+ NHHs who have recently paid for an AMR or data logger might be frustrated
+ Concerns about ownership of data; who would the data belong to? Wholesalers or retailers?
+ Concerns around accessibility of data by the retailer and customer: and also, is this data they would have to pay for? Retailers would much prefer the data was shared with them openly and for free, which is something other wholesalers are already considering or offering
+ A belief that a roll-out will be expensive for NWG, and that this may be delaying their decision to roll smart meters out

Retailers generally feel that prioritisation of the roll-out programme is up to NWG. At this point they just want to see the outline of a plan. Nonetheless they do agree that it would be sensible to focus on certain types of NHHs. In particular:

+ High users and larger NHHs who represent the lion's share of water usage: this would mean billing would be accurate for the bigger value customers
+ Those on non-standard meters, which provide numbers in a more complicated format that needs multiplying to be accurate: they are more complicated to read and the data requires more processing
+ Currently unmetered NHHs; it's hard to measure their usage and understand any issues such as leaks
+ NHHs who are not proactive about switching to a smart meter, since other customers may be happy to pay for the installation of a smart meter themselves, the cost of which could be recouped in their bills
+ NHHs who are willing to switch to a smart meter as this may speed up the process

Retailers have no strong views on the type of smart meter they want to see installed. They feel NWG should make a judgement on this. However, they do want to know that the chosen meters would be compatible with their systems, durable and user-friendly for customers.

Retailers are very willing to work with NWG to support a smart meter roll-out, either to identify priority customers, or to leverage their relationship with the customers to ensure the roll-out goes smoothly.

NWG Account Manager commentary

NWG Account Managers are of the opinion that the roll-out of smart meters is of key importance, particularly for NHHs which use high volumes of water.

Policies and tariffs

SUMMARY	OPPORTUNITIES
– The range of tariffs that retailers have to grapple with is complex: retailer systems and software have been developed to cope with complexity – Standardisation of tariffs would reduce complexity and make the market more competitive – However, since pricing cannot be standardised across wholesaler operating areas retailers question the practical impact	– Standardisation comes with its own complexities and it may be the case that retailer systems are now too developed to take this step – Indeed, standardisation feels a long way down the agenda (after data quality and metering) – Rather, it may be that more consistent tariff boundaries and tariff simplification is a more practical solution

The variety of policies and tariffs is a real challenge for some retailers. They vary widely between wholesalers, and it takes a lot of work to identify which tariffs are suitable for different customers. This is especially challenging when it comes to dispensations, of which there are many: retailers mentioned a number of areas where dispensations can apply, including grey water tanks.

Since the work of identifying the best possible tariffs and policies is so time-consuming, it isn't always fully done, which means some customers may be paying higher bills than they should be.

Retailers suggest that NWG should provide them with some simple guides to tariffs and dispensations, which would help them quickly identify where each customer fits.

Larger customers who negotiate more favourable policies also make this system even more complex.

Despite this, retailers generally feel that NWG's policies and tariffs are fair to customers.

Note from NHH phase: many small businesses are not paying their bills directly to their retailer – for example, for some NHHs the charge for water is included with rent or business rates – so there may well be an additional challenge / risk that they are not on suitable tariffs.

Retailers also need to revisit their customer base every year to check whether each customer still fits under the same rate and tariffs as previously. Due to the way these are set out, customers may need to move to a different tariff, which can have a significant impact on their bills. Retailers are then responsible for communicating this to customers, who don't always understand why it has happened.

In the longer term, the larger retailers we spoke to feel strongly that standardisation of policies and tariffs across the industry would resolve many of the issues they face, would save a significant amount of resource, and would have little impact on them financially. Moreover, it would allow customers to easily compare tariffs across retailers and make the industry more competitive.

However, for some, standardisation is not a major issue. They struggle to understand what this would look like and feel it isn't a realistic aim.

"I would like to see standardisation across the market…but the cost of running the network is different around the country, so you can't standardise the pricing. We'd love it, but they can't" – [redacted]

Varying policies and tariffs also pose a challenge in terms of systems and software, especially when it comes to price rises each April. However, since market opening, retailers have invested in developing systems and software which can handle varying tariffs and policies, and this is something they feel the industry should be aware of even though retailers would welcome standardisation.

In the meantime, retailers feel certain changes could help improve current policies and tariffs:

+ Provide consistent tariff boundaries which match the boundaries that other wholesalers use, and Ofwat guidelines (although retailers recognise this might be challenging)

+ Simplify certain aspects of tariffs, since NWG has many more bands than other wholesalers (e.g. for drainage rates)

+ An earlier publication of the inflation rate/price changes if possible, so finance teams could begin to plan around that

The retailers we spoke to are also interested in seeing a wholesaler incentive scheme to reduce water consumption.

This is something that a couple of other wholesalers are working towards, and retailers feel it would help their customers, and allow them to fund their own water efficiency measures. This isn't something they'd heard about from NWG but they understand that this is of greater interest to wholesalers in more water-stressed areas.

Performance in R-MeX

August 2022

Rank	Wholesaler	Overall service	Speed and quality of responses to service requests	Level of communication during incidents	Quality of data maintenance and improvement	Effectiveness of systems and notifications	Level of engagement and support	Effectiveness of financial policies
1	Affinity Water (WSL)	**8.50**	8.91	8.4	8.10	8.33	8.91	8.10
2	Portsmouth Water	**7.89**	8.33	7.78	7.50	8.33	8.44	8.00
3	United Utilities Water	**7.85**	7.54	7.23	8.00	6.46	7.77	8.42
4	Bristol Water (WSL)	**7.82**	8.10	8.18	7.50	7.00	8.27	8.50
5	Yorkshire Water	**7.77**	7.77	7.75	7.31	7.77	8.08	7.83
6	South West Water	**7.73**	7.30	7.9	7.60	6.90	8.00	8.09
7	Wessex Water	**7.67**	7.62	7.62	7.00	6.50	7.33	7.89
8	Northumbrian Water	**7.64**	7.18	7.73	7.27	6.45	7.82	8.30
9	Anglian Water (WSL)	**7.62**	7.38	7.58	7.42	7.38	7.85	8.17
10	Sutton and East Surrey Water (WSL)	**7.56**	7.89	7.88	7.25	6.78	7.62	7.44
11	Southern Water	**7.30**	7.20	8	7.11	6.80	7.80	7.30
12	South Staffordshire Water	**7.17**	7.50	8.18	7.20	7.17	7.73	8.27
13	South East Water	**7.00**	7.25	7.88	7.00	6.12	7.50	7.44
14	Thames Water	**6.79**	6.07	6.54	6.57	7.17	7.21	7.00
15	Severn Trent Water	**6.00**	5.67	7.29	6.21	6.57	6.67	6.57
	Whole Market	**7.49**	**7.45**	**7.73**	**7.27**	**7.05**	**7.80**	**7.82**

The retailers we spoke to are generally satisfied with their relationship with NWG, although as noted [redacted] would like more contact. [redacted] and [redacted] feel that NWG is on par with other wholesalers in many of the categories, and that they are doing better than some wholesalers in specific areas. There are certain things they feel that NWG can learn from other wholesalers, mainly around data sharing and strategic collaboration.

Many of the issues that retailers face, and improvements they would like to see, have been covered previously in this report.

The retailers we spoke to feel that R-MeX is not a good measure of how well wholesalers are performing. For instance, the companies at the top of the table are water-supply only companies (as opposed to water and wastewater companies) and so R-MeX is not comparing like with like. Some retailers feel that NWG haven't focused on R-MeX measures specifically, but have tried to drive improvements across the board, while other retailers are more strategic when it comes to the measures. On this basis, the R-MeX results don't encapsulate everything that NWG does.

Both Account Managers at NWG and retailers feel that responses to R-MeX vary greatly across retailers, and suggest that more guidance, and a more consistent approach to answering the questionnaire, is needed.

For each area:

+ **Speed and quality of responses to service requests:** quality of responses is mostly satisfactory, but responses could be swifter. In some cases, there is confusion around requests because various members of staff are unsure whose responsibility certain requests come under, which causes delays. Retailers have seen improvements in this area but not all can comment on this because their dealings with NWG are limited.

+ **Level of communication during incidents:** usually acceptable but not all retailers are receiving these communications on a regular basis since they are shared in the NWG Hub which doesn't have notifications – for instance, [redacted] haven't seen much on this from NWG, but have from other wholesalers. In addition, retailers feel NWG could share more customer-friendly information with NHHs.

+ **Quality of data maintenance and improvement:** this is mostly felt to be on par with other wholesalers. Retailers have seen some improvements recently but there is still a way to go, especially on addressing data, long unread meters and vacant properties.

+ **Effectiveness of systems and notifications:** whilst waiting for the Bilateral Hub to be fully in use, retailers feel that NWG are using a very basic system (the NWG Hub) which isn't integrated with wholesaler systems and other data sources. Retailers find it surprising that a big company like NWG hasn't invested in a better platform. However, NWG are helpful when it comes to working around the limitations of its system and software: this has been appreciated as not all wholesalers do this.

+ **Level of engagement and support:** retailers have a good experience overall, although there is a desire for more resource to be provided from NWG, and more opportunities given for input and collaboration on longer-term and more strategic issues. [redacted] feel they receive less proactive support and would like to build the relationship further.

+ **Effectiveness of financial policies:** this is felt to be comparable to that of other wholesalers, and in some aspects NWG is named as a leader – for instance at making swift Guaranteed Standard of Service repayments. Although NWG policies and tariffs are felt to be complicated (and more complex than those of other wholesalers), retailers feel these are very fair for customers. There are some particular improvements that retailers want NWG to consider to improve this further.

What could help NWG improve across each of these areas?

MEASURE	CURRENT PERFORMANCE	RECOMMENDATIONS FOR IMPROVEMENT
Speed and quality of responses to service requests	7.18	– NWG to provide more resource to this, and where possible multiple (additional) points of contact – Allow for notification system (via NWG hub) to improve speed and responsiveness – Provide clarity for retailers to share with their staff on wholesaler vs retailer responsibility
Level of communication during incidents	7.73	– Sharing regular communications about planned and unplanned incidents in a clear manner to all retailers with NWG customers – Sharing communications in a variety of formats to all retailers (e.g. phone calls, emails, using the NWG Hub or Bilateral Hub) – Provide customer-facing information which retailers can then pass on to their customers, rather than more technical information

Quality of data maintenance and improvement	7.27	– Give retailers more control over some of the fields on CMOS so they can update the database directly with any changes – Provide retailers with more information about NWG's plans for data quality – Communicate clearly about the division of responsibility between NWG and MFS – or roll out the scheme currently being piloted with [redacted] if it proves to be more successful – Engage retailers on the best tools and ways of working to address data quality issues together
Effectiveness of systems and notifications	6.45	– Add notifications to the NWG Hub, or a workaround so retailers know what they need to address – If possible, provide alternative modes of communication to enable retailers to raise forms more easily – for instance through platforms like Swim – Moving forward, provide retailers with clarity and reassurance on NWG's plans for systems and communications
Level of engagement and support	7.82	– Provide opportunities for all retailers with NWG customers to engage on specific topics and stay up to date with NWG's work and future plans – Communicate more proactively with retailers about NWG's future plans and projects – Collaborate with retailers on activities and strategies which impact them such as water efficiency, dealing with long unread meters and vacant properties, or innovating in the industry
Effectiveness of financial policies	8.30	– Provide simple information (e.g. a flowchart) to retailers to help identify the correct tariffs and dispensations – Simplify certain aspects of tariffs (e.g. drainage bands and rates) to simplify processes for retailers – Provide consistent tariff boundaries which match those of other wholesalers and Ofwat guidelines – Publish inflation rates and price changes earlier in the year

NWG Account Manager commentary

NWG Account Managers concur with retailers that R-MeX could be improved. The repetitive nature of questions means there is often little new information. The survey is often filled out by a single member of staff at each retailer, so the information may be inaccurate or out-of-date. It is felt that R-MeX is filled out inconsistently across retailers, as the rating system is very open to interpretation.

Section 4: Non-Household Organisations

To recap: overall 31 NHHs took part in the research, from across NWG's operating areas in the North East, Essex and Suffolk. We spoke to NHHs of various sizes and across different sectors, including private, public and non-profit organisations.

Overall relationship with water

SUMMARY	OPPORTUNITIES
– Whilst water is rarely thought about, any issues can have a significant knock-on effect on NHHs – Different types and sizes of organisation have different priorities around water – Retailer/wholesaler division can create a little confusion (some) and distance from NWG (most)	– The importance of service response for NHHs cannot be underestimated in driving positive perceptions of wholesaler – Engagement with NHHs may be increased through sector- and size-specific strategies – Clarify the division of roles between NWG and retailers, especially for smaller NHHs, and better communicate activities to build engagement

Role and importance of water

As you will see throughout this section, although there are some areas of general agreement, every NHH is different – with different motivations, pressures, challenges, customer types and attitudes. The way NWG might choose to engage with these different types of organisations could accordingly vary hugely.

In particular, there's a noticeable divide between micro/small organisations and medium/large organisations. For the smaller organisations we surveyed, issues with water affect them personally; but at the same time that impact is limited, except in the rare event of a supply interruption such as a burst internal or external water pipe.

For the larger organisations, and particularly those with multiple sites, the impact of water issues can be much wider – affecting employees, customers and stakeholders.

Our research participants enjoyed the opportunity to think and talk about water, but we got the impression that most would rather not think about it in their day-to-day life – if they're engaged with water, it's usually because there's some sort of problem. As we'll see, they're also for the most part quite distant when it comes to their 'relationship' with NWG.

All of this said, water is still highly important for NHHs. Indeed, what is clear, regardless of size or importance of water to operations, is that the need for a good quality, uninterrupted supply of fresh water can literally affect whether or not an NHH can open for business and function, and so the effects of water or wastewater problems can have a significant ripple effect.

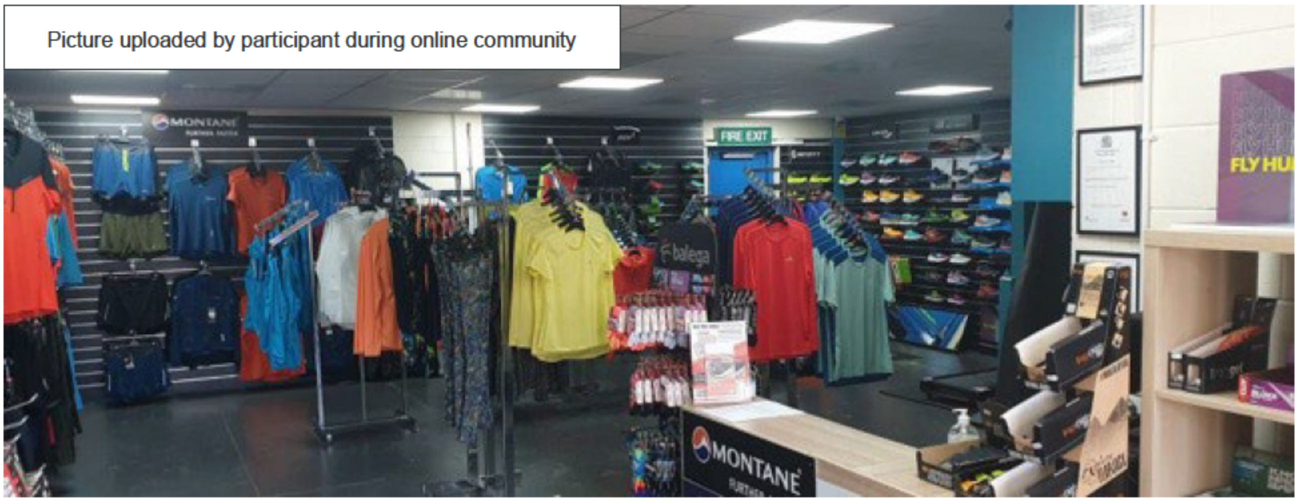
In consequence, what we heard is that in the event of interruptions or problems, NHHs hope for a level of service that is uniquely geared towards their needs: for example, larger NHHs might reasonably expect higher levels of communications and service response.

"Today we were without water for 5 hours due to a water main burst. We use water for drinking, toilets, hand washing, washing up, water play activities and watering the garden. It got fixed but I did not receive any updates which was frustrating'– Education, water-dependent, Northumbria

NHH case studies

- For the owner of a convenience store the use of water is hardly thought about:

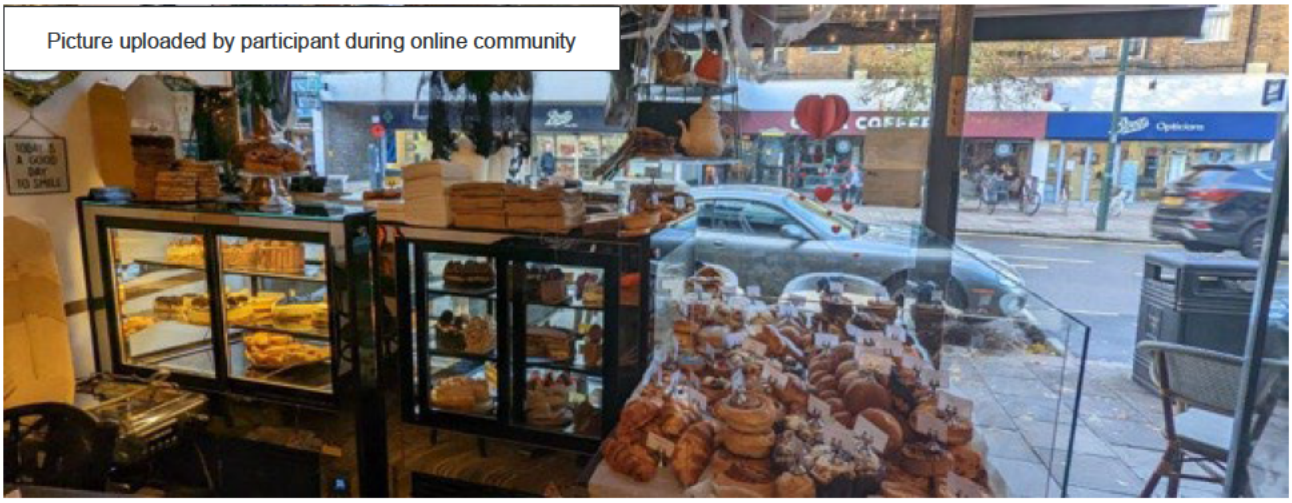
"Water is used for washing dishes, filling the kettle and the toilet. Also mopping the floor… for basic needs and hygiene. I have not had any problems with water at all." – Micro, retail, water non-dependent, Northumbria



Picture uploaded by participant during online community

- The owner of a running shop in the North is at the bottom of a hill, with regular flooding issues caused by extreme rain, and feels this impacts footfall to his business. However, he has appreciated NWG's support with the floods, as he received a warning phone call every time the area was at risk.

"You can't get people to come over the bridge to get into town. And in that respect, it does affect our business" – Micro, retail, water non-dependent, Northumbria


Picture uploaded by participant during online community

- The owner of several bakeries in Essex had his production process affected by low water pressure and had to shift operations elsewhere until the problem was fixed, costing him time, resource and money. He has also felt impacted by burst water pipes in the High Street outside his shop fronts.

"If you dig up the road, like they do, it just pisses people off in terms of noise. There's a lot of pollution, there is a lot of angry customers saying they can't get to the businesses" – Small, retail, water-dependent, Essex


Picture uploaded by participant during online community

- The owner of a shop in Suffolk has very low engagement with water and uses it much as a domestic user would – for example, for making cups of tea and washing up. They are personally concerned about how pollution might affect their local area (even though there's no specific impact on their business) and they're very change-averse – for example, the idea of introducing a smart meter is of no interest. *"If it ain't broke, don't fix it".*

"The only time we use [water] during the day is for when the radiators come on in the shop, to use the toilet and to boil the kettle, wash hands, things like that. Other than that, there's not much water in the business at all" – Mixed-use, retail, water non-dependent, Suffolk

- A GP surgery in Essex is above all else concerned with water supply and quality, which could literally be a life-or-death matter as they have to be sure that their water is (for example) listeria-free. From their perspective as a citizen, the environment is of course important, but from a work perspective, environmental considerations around reducing usage feel less relevant.

"Ethically, if I have to think about it then obviously, environment does play an important role. But if I had to focus mainly on business: water supply, and asset health, those are important... [We are in] the healthcare business where we have to use water, like literally next minute" – Medium, healthcare, water-dependent, Essex

Picture uploaded by participant during online community

- A university in Northumbria is engaged with water at several levels. From a supply perspective, outages can have an enormous impact on student life across campus, including teaching areas and accommodation. From an efficiency perspective wastage can impact on costs. And from an environmental perspective the University has a 2030 Carbon Net Zero target whilst new buildings seek to attain BREEAM certification. Accordingly, they have a sophisticated leak detection system and run water-saving campaigns with the student population.

"We have introduced a number of AMR loggers on our system and we are able to then monitor any excessive use and investigate... In our newer buildings and major refurbishments we design water-saving initiatives into the building design. Many of our buildings have achieved BREEAM Excellent. We also have our own bespoke Sustainable Development Framework which also promotes sustainable design" – Large, education, water-dependent, Northumbria

Picture uploaded by participant during online community

- A pre-school takes pride in teaching children to look after the planet: from reusing water in the sinks for watering plants to turning off the taps. In the event of water supply interruption children simply cannot be at school which might mean parents have to disrupt their day to pick up prematurely.

"We embed environmentalism into the ethos in our teaching, we teach children to save water, we try and pass that message on to our families and things like that. So, when they're brushing their teeth, we make sure they're turning off the tap" – Small, education, water-dependent, Northumbria


Picture uploaded by participant during online community

- A medium-sized construction company in Essex is aiming for carbon-neutral status, which it hopes will be one of their USPs. It's therefore of paramount importance that their suppliers are in harmony with these ideals – so they very much look towards NWG for leadership on matters concerning the environment, saving water and efficiency.

"We're trying to become carbon neutral, but it's difficult because it costs a lot of money to become anywhere near that...[I thought the] retailer or the wholesaler would be able to give us more indication of how to save water...but we haven't had much success. So, I've had to Google 'business water efficiency' to find out what my business can do. That was most frustrating" – Medium, construction, water-dependent, Essex


Picture uploaded by participant during online community

- A components manufacturer in Essex has a fairly sophisticated view on the interconnectedness of the water system and appreciates the size of the task facing NWG in terms of delivering quality water.

"They're very much interlinked with regards to the assets and the supply of water. Because obviously, if you've got the degrading assets, then that would have a knock-on effect with the water supply and the quality of it" – Large, manufacturer, water-dependent, Essex

The retailer/wholesaler divide

We asked NHHs how clear they were about the division of the water market into wholesalers and retailers.

For most NHHs we spoke to, the distinction between wholesaler and retailer is clear: they understand that one company provides water and/or wastewater services, and another deals with billing.

"It has been absolutely clear, the distribution between the wholesaler and retailer. And for us, we have a person that if there was any problem ourselves, with the retailer as a main point of contact. But when actually the problem happened, it was not the main retailer who would deal with the problem. It is the main wholesaler who would deal with the problem" – Medium, healthcare, water-dependent, Essex

Nonetheless confusion remains, as some – especially smaller NHHs – profess to a lack of understanding about the existence of a separate company for billing, and the division of responsibility in the event of a problem or query. This is likely because some of the smaller organisations have never had an issue with water and haven't had any contact with either their wholesaler or retailer. Some of the smaller NHHs we spoke to also paid for their water indirectly through their rent or to another neighbouring business, and therefore do not see their bills.

"I can never work it out. I feel so stupid when the bills come in... One says Essex and Suffolk and the other one says whatever it says, and I can never remember which one's which... I do understand water bills, I just don't understand why they are like that" – Large, retirement complex, water-dependent, Essex

"When you get bills, from what I remember, there is a separate company but I don't know the name of it" – Large, property company, water-dependent, Essex

This confusion about responsibility can have a direct impact on business in terms of time and effort spent dealing with issues. Some NHHs are not clear about who to contact for queries. Some see the retailer as their first point of contact, and think that the retailer should therefore take prime responsibility for dealing with all issues that arise – for example with supply:

"When we had issues with our water supply, we contacted the retailer, but they put us through to the wholesaler... [The] amount of time I spent on the phone, it was just an inordinate amount of time. The actual lines should be more clear as regards to the problem we've got and where the solution lies. You think that logically that [the retailer] could actually help us. As a customer, it's not always clear in an emergency situation, who you speak to" – Medium, manufacturer, water-dependent, Essex

An additional difficulty is encountered by NHHs in Essex and Suffolk, who have the complication of not being able to use Essex and Suffolk water for wastewater, and therefore have to deal with two wholesalers as well as two retailers.

There was no mention among NHHs of having considered switching retailer. This is unsurprising for businesses who are unclear about the division between wholesaler and retailer, as they didn't know this was a possibility. For those who are aware of the division, they largely feel that the benefits of switching are limited since the wholesaler remains the same, and the sense that tangible issues with water are, in most cases, far and few between.

Indeed, in reality, what the existence of the retailer does is create additional distance between NWG and the end customer. As we'll see later, many NHHs have only a vague sense of what NWG stands for, and this can be partly ascribed to the nature of the market.

So, there is a communication challenge for NWG: both to clarify the demarcation of responsibility, and to inform customers about NWG's activities, priorities and values.

Service Priorities

SUMMARY	OPPORTUNITIES
– Water supply is key priority - taste, smell and appearance of drinking water particularly - but also a service aspect where issues reported – Environment is also of high importance – specifically sustainability, as many NHHs are concerned about water efficiency, carbon net zero and education – Many NHH decision makers appreciate the importance of asset health to delivery: NWG's infrastructure widely perceived to be in a poor state	– There is scope to address customer issues that arise around taste, smell, and appearance of water across all operating areas – NWG should consider introducing tracking measures that pick up on "sustainability" separately from "environment" – Perception of asset health might be improved by increased communication to address perceptions and share success stories around network infrastructure

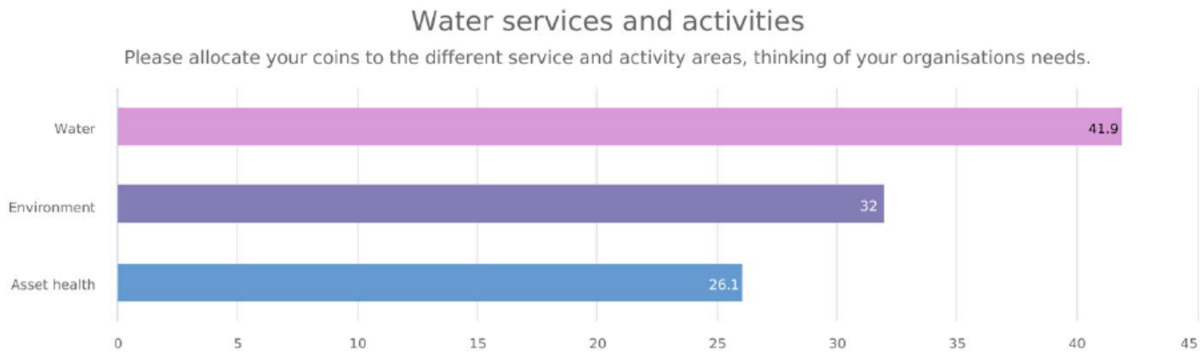
Overall Service Priorities

In the online community, participants were asked to indicate how important various aspects of NWG's service were to them. We asked them to allocate 100 "investment coins" across these areas, to indicate their relative importance.

Participants in Essex and Suffolk were shown three service areas, as follows:

- Asset health – *The work Northumbrian Water / Essex & Suffolk Water does to keep its pipes, sewers, water treatment works and sewerage treatment works in good working order.*
- Environment – *Protecting and enhancing the environment by reducing our carbon footprint, reducing pollution and making improvements to rivers and sea water.*
- Water – *Providing a reliable supply of water which is clean, clear water and tastes good*

The chart below shows findings in aggregate. Water is considered the most important, being allocated 42 coins on average.



Base: participants in Essex and Suffolk (15)

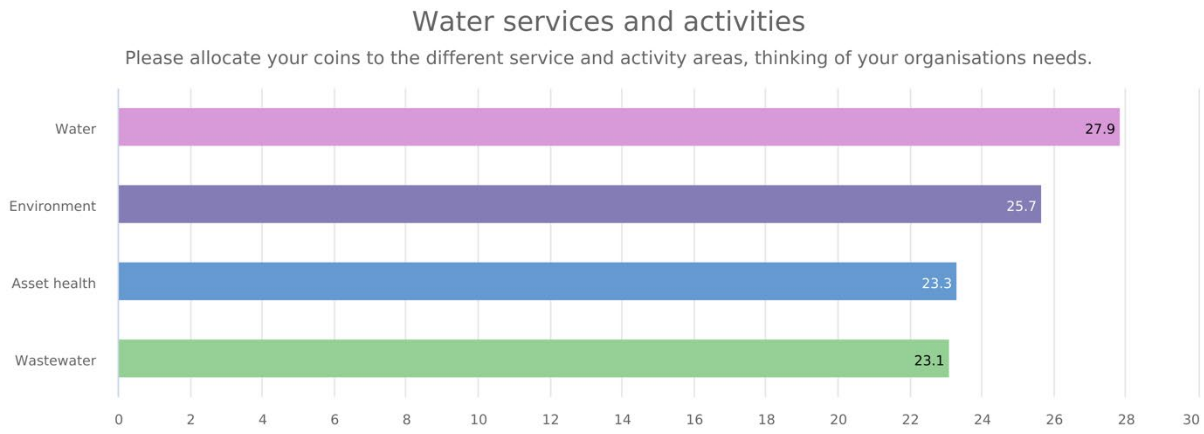
X axis: number of "investment coins" allocated

Shown: average number of "investment coins" allocated to each activity

Participants in Northumbria were shown the same three service areas plus the following:

- Wastewater – *Taking wastewater away from customers' properties and transporting it for treatment in a way that has no adverse impacts on the environment.*

The chart below shows findings in aggregate. Water is considered the most important, being allocated 28 coins on average.



Base: participants in Northumbria (15)

X axis: number of "investment coins" allocated

Shown: average number of "investment coins" allocated to each activity

When we discussed this in more detail, there were some interesting differences by type and size of organisation. The majority of organisations assert that water supply is the most important factor – one participant described water as "the first thing you notice". Nonetheless, asset health and environment do also have the potential to be more front of mind: for example, when road repairs disrupt the business or environmental issues have a direct impact, as is the case for a business close to the Suffolk coast.

The importance of the environment has a wider resonance. For larger organisations in particular the importance of sustainability within their organisational priorities is linked to a desire for suppliers to follow suit. And even for some smaller organisations there is a belief that as organisations they potentially have a bigger impact on the environment than domestic customers because of the scale of their activities, so ranked this area high in importance.

It's interesting to note that, whilst asset health ranks below water supply and the environment, it emerged as an important factor for many NHHs when we spoke further about it. For example, NHHs had much to say about the upkeep and modernisation of the water and sewerage systems. Our observation is that this may be partly an issue of language and framing: it's possible that the words asset health are not the best to use in a customer-facing context, and it may be helpful to use other language – such as infrastructure, or sub-aspects such as sewers.

We also observed that larger organisations are typically more likely to take a holistic view of the water system, and even those who gave water supply a higher share of coins tend to view all elements as interconnected – recognising (for example) that the infrastructure needs to be functioning properly in order to deliver high quality and reliable water supply.

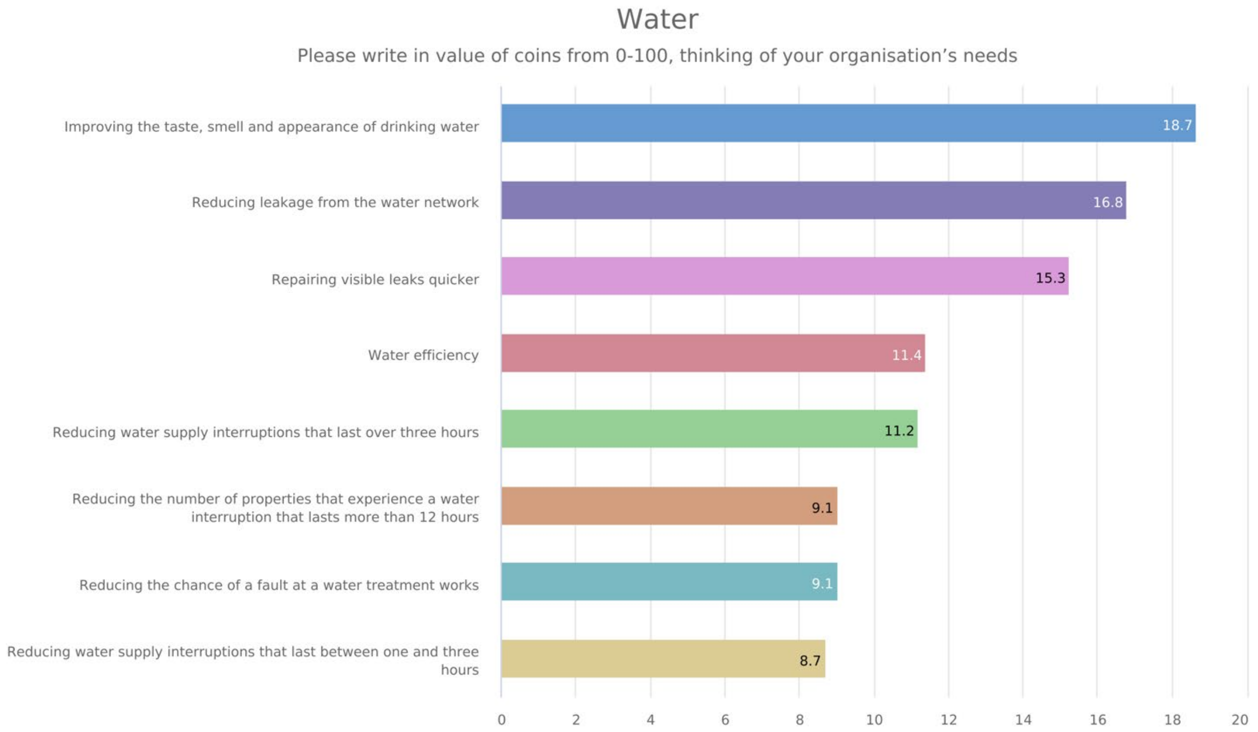
"If you've got degrading assets, then that would have a knock-on effect with the water supply and the quality of it. So it was very difficult for me to partition the different priorities. But I guess it was more about the end product for me as a consumer and business owner, as regards to what we expect when we put the tap on... It's always going to be measured by the end product, as with any product or service at the end of the day." – Medium, manufacturer, water-dependent, Essex

"If you've got leakages of fresh water or sewage or anything in your infrastructure, that has an impact on the environment, so you quite often see these sinkholes opening up... and so it boils down to infrastructure. And now I think the infrastructure can't cope, and they're having to release into the environment. Continuing investment is needed right across the board" – Medium, country estate, water non-dependent, Northumbria

Wastewater tends to be ranked lowest, not least because some associate this with asset health more broadly, and also because it tends be the least front of mind, unless there are specific problems such as blocked drains.

Water

Participants were asked to look at a list of factors within Water, and again to allocate 100 “investment coins” across them, to indicate their relative importance.

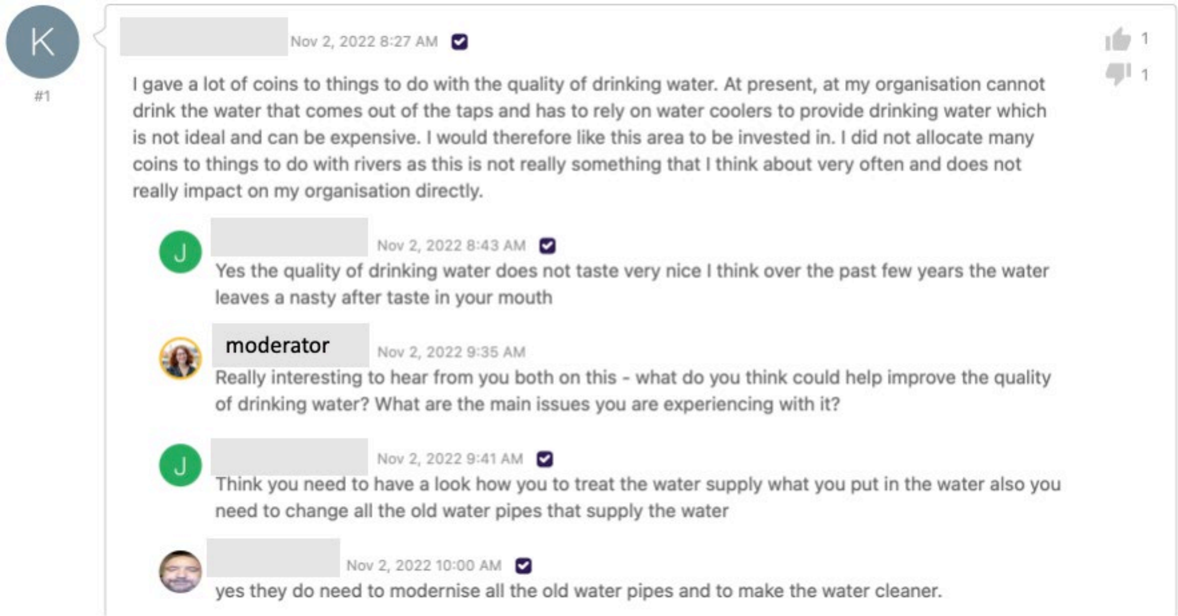


Base: all participants (31)

X axis: number of “investment coins” allocated

Shown: average number of “investment coins” allocated to each activity

Taste, smell and appearance is a subject on which many have strong feelings, likely because this is the aspect of water company’s service they are most familiar with. Whilst many feel that the quality of tap water in their area is acceptable, there were a number of NHHs who had negative experiences, with many stories to support this, all relating to business premises. A participant in the North talked about water coming out of the tap brown; participants in Essex and Suffolk talked about seeing ‘bits’ floating in tap water; and many said that they need to filter their tap water before drinking – or even not drink it at all.



snapshot from online research community discussion; anonymised

Poor quality water is felt to have a strong impact on an NHH's performance and reputation. Some talked about not being able to give customers and clients tap water to drink – which has an impact on costs for filtering or sourcing bottled water (which in turn is felt to be a non-environmentally friendly option). Others are using water heavily in industrial processes which require further filters.

"If my client asks for a glass of water, I have to warn them beforehand it's literally vile...It's alright if you boil it but if you're serving a cold drink it's proper bad. So we have to buy water in which then means we have to have a fridge on" – Micro, salon, water-dependent, Northumbria

"It's about the amount of other particles within the water where we need a filtration system... So clearly the more contaminated it is, the more difficult it would be to use... In the early days before we actually had a filtration system, it was a major issue, because of the build-up of lime and everything else within the water, because it stopped the machinery from working" – Medium, manufacturer, water-dependent, Essex

"I filter my own water, because it has a funny taste to it, the mains water, and that does come across: quite a few of the tenants mentioned that... That's the first thing that people notice, we get a sort of chlorinated smell... And I think that's one thing that has been in the press with Northumbrian Water, about the smell" – Medium, country estate, water non-dependent, Northumbria

This is considered to be an issue that NWG is responsible for, rather than an issue caused by local geography or private supply pipes. One NHH complained to NWG about water quality and was not happy with the response.

"They weren't giving me any concrete steps that they're going to do to, to rectify the problem. So, they're just giving you just a general kind of email just to bump you off, really. They're not really giving you much helpful advice, or they're just saying you can use a water filter" – Medium, construction, water-dependent, Essex

Leakage is another area which raises strong emotions, mostly due to waste and perceived unfairness. Leaks are felt to be a high priority for NWG: partly because they are felt to be wasteful of water, and partly because the prevalence of leaks is felt to undermine messaging from NWG around saving water and water efficiency. Visible leaks can also impact on NHH performance in terms of downtime, and some participants worry that the cost of water lost to leaks will impact their organisation.

"Our main concern is when there's water leaks nearby or they're doing repair, maintenance work, and it can disrupt access to our offices or to our properties... the road is closed down, and our people are struggling to access offices" – Medium, construction, water-dependent, Essex

Many NHHs – in particular the larger ones – are sympathetic to the difficulties that result from an ageing infrastructure, and recognise that not every problem can be solved instantly. Other NHHs, however, feel that they hear a lot about the amount of water being wasted across the country, and that they don't see any work being done by NWG to improve this.

There is an onus on NWG to communicate clearly when issues such as leaks do arise – in terms of what the issue is and how long it will take to resolve.

"It's gonna take time to do that. And it's gonna take investment. But our communication piece is the issue that a lot of people have, where they see something, but there's no communication: this may take X amount of days or weeks or a month to get repaired" – Large, property, water-dependent, Essex

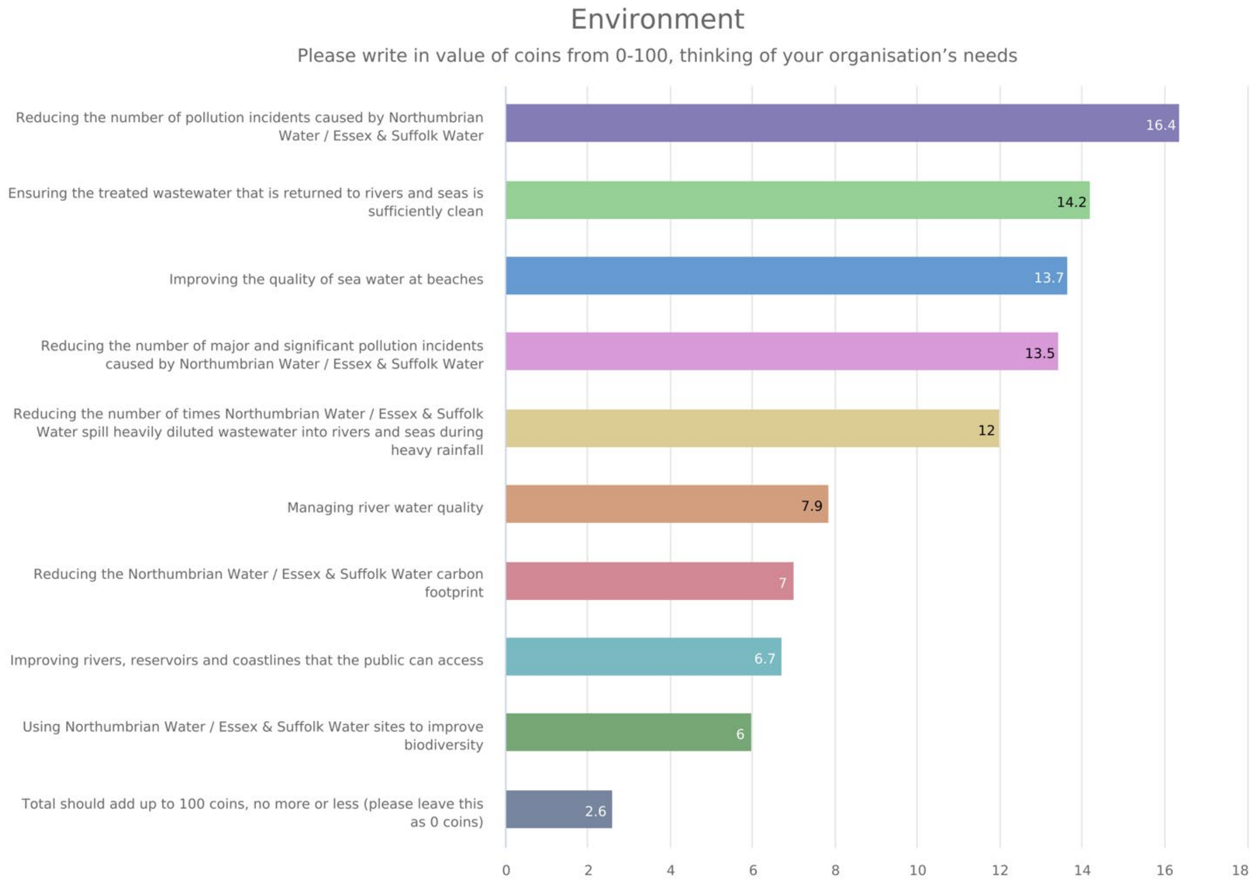
Some cited positive experiences of the way that issues like leaks had been dealt with, in terms of communication and setting expectations.

"[Essex & Suffolk Water] sent us email and texts just to say, this is the problem, this is the work that's going to be done, and the estimated time to get everything done. And then there's some stuff as well sent on local Facebook page and on Twitter... They kept their promise about how long it will take too" – Medium, construction, water-dependent, Essex

Water supply interruptions are seen as a significant issue for many of the NHHs we spoke to. Although few had experienced these, when they do happen this often means NHHs have to close and incur a loss of income. For example, during the online community part of the fieldwork, one NHH had an unplanned service interruption which lasted 5 hours. This meant the organisation, a pre-school, had to shut down for the day and send all pupils home, which was highly disruptive to staff and families.

Environment

Participants were asked to look at a list of factors within environment, and again to allocate 100 "investment coins" across them, to indicate their relative importance.



Base: all participants (31)

X axis: number of "investment coins" allocated

Shown: average number of "investment coins" allocated to each activity

Environment is an area where personal concerns can easily become front and centre: the environment is highly emotive for many people. Some of the things discussed under environment are clearly issues that participants are concerned about as citizens, and not necessarily because there is a direct impact on their organisation (or even their geographical area).

"To save water, what is the roadmap? That is very important, because as we saw this year, there is scarcity and what water companies are doing to overcome that. And the ban of garden pipes, in many places because of water going level down, and stuff. So, securing the water is important" – Mixed-use, wholesaler, water-dependent, Essex

Nonetheless there are some environmental issues which are felt to have a strong link to NHHs, for instance because of business goals, or pressure from customers and clients. Some NHHs are working towards environmental credentials, or state that sustainability is at the core of their offer. For example, we spoke to the Director of a holistic health clinic for whom the environment is a key consideration, and the owner of a salon which aims to source products as ethically as possible. Being seen as sustainable is important for them in terms of working with suppliers and attracting customers.

One business talked about their aim to become carbon-neutral; in these instances it is therefore imperative that suppliers share this commitment.

"For us, the environment and social sponsors are important because we get contracts with government. So, we've got to be seen as being green...We use green vans, electric vans, what's really important is green cement. So we're gonna be reducing our carbon footprint as well" – Medium, roofing company, water non-dependent, Suffolk

"If we're working with a company, and they have a terrible track record in terms of environment and things like that, polluting rivers and things like that...we're still impacted by that...Clients will judge us based on the companies that we work with" – Large, property management, water-dependent, Essex

Even some micro/small NHHs are motivated by 'environmental' concerns. They feel their presence and visibility as NHHs within their communities demands a certain responsibility to be environmentally conscious, whether this is through not wasting water or ensuring that they follow responsible practice.

"I do think you have a responsibility...I had to pay to change one of my pipes, because it was going into the local river apparently, and it wasn't good at the wastewater...Especially if you own a business, you have more responsibility, because you can have more of an impact" – Micro, health & beauty services, water-dependent, Northumbria

Some NHHs spoke about environmental issues in the longer term – for example, some feel that the issue of sewer overflows would, over the course of the coming years, erode the appeal of the coastal areas their organisations operate in, and that this would directly impact tourist-related trade, and could lead to the decline of the local area. On the other hand, some find it harder to sympathise with environmental concerns, since they have more pressing issues within their organisation.

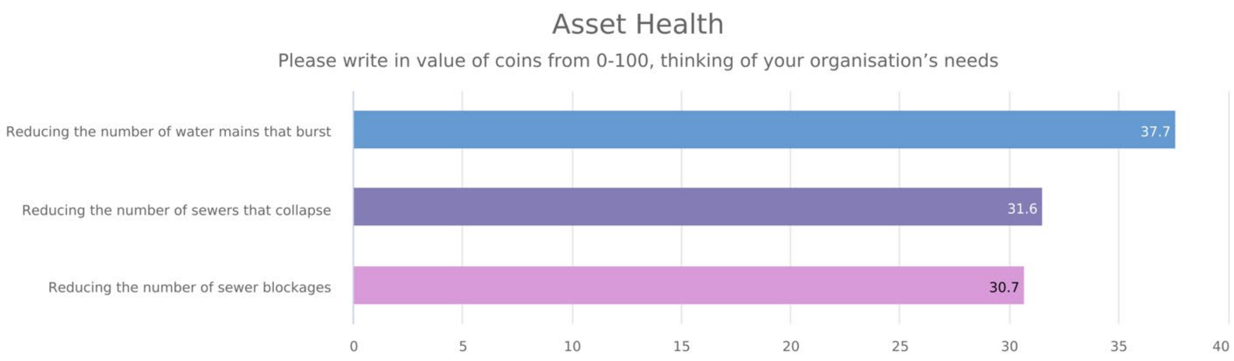
For NWG, this means that any environmental dialogue with NHHs needs to align with the expectations, identities and values of the NHH and their communities: a one-size-fits-all approach isn't sufficient to reach NHHs. More specific targeting of different types of NHHs and collaboration with influential voices in the local and business community may help NWG gain more buy-in from NHHs:

+ Micro organisations may most value hearing how NWG's environmental activities will impact positively on the local community in which their organisation operates
+ Small/medium organisations may most value hearing about the positive impact of not wasting water (which is connected to not wasting money)
+ Large organisations may value hearing more about NWG's Carbon Net Zero agenda
+ Educational NHHs might most value hearing about how NWG is working to preserve the environment for future generations and receiving communications materials to help 'educate' students to be responsible citizens of the world

In terms of future tracking, NWG would do well to consider measures relating to carbon net zero as well as education. In addition, we feel water efficiency might be better measured under environment rather than under water supply where it currently sits.

Asset Health

Participants were asked to look at a list of factors within Asset Health, and again to allocate 100 "investment coins" across them, to indicate their relative importance.



Base: all participants (31)

X axis: number of "investment coins" allocated

Shown: average number of "investment coins" allocated to each activity

As noted above, asset health is an area which – on probing – is relevant to many NHHs, and indeed it is often connected with strong feelings about where NWG should be focussing its efforts. Asset health is higher on the agenda for larger NHHs, where the decision makers we spoke to are likely to have a broader organisational remit and generally be more engaged with the topic than the average customer.

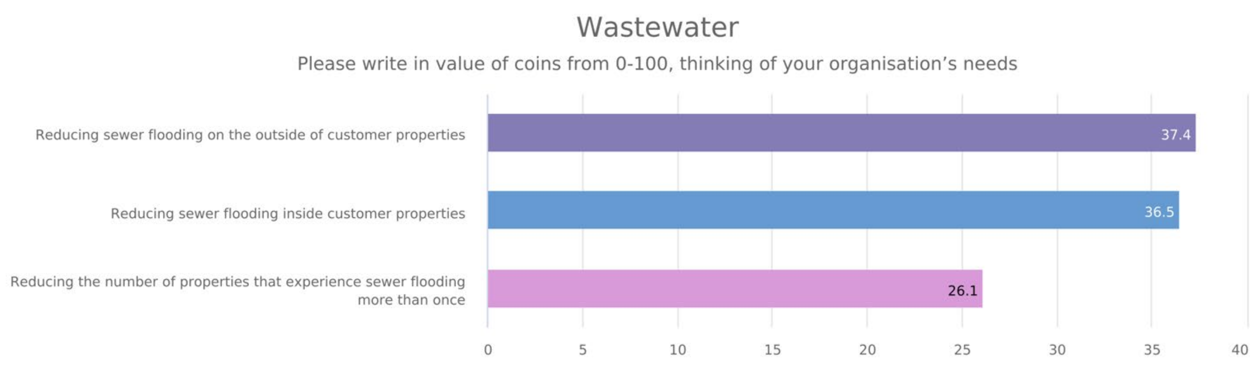
"The system is 100-odd years old and it needs overhauling, it needs maintaining. If it isn't being maintained and if it isn't being overhauled and yet they're paying dividends to their shareholders, what the hell's going on? That's their basic job" – Small, distillery, water-dependent, Northumbria

As we've seen, disruptions to access also have the potential to create a strong reaction; but for many, infrastructure is hidden from view, and they are rarely exposed to incidents like burst water mains. Nonetheless on balance asset health is something that most NHHs expect NWG to be proactively addressing, and many still want reassurance that NWG is doing satisfactory work in this area; many assume that this is the main thing they are paying for in their water bill. Some asked for leaflets or information with their bill which would inform them of NWG's progress on this.

"If we actually knew what they were doing, what they were investing in and what they had planned and stuff, then it'd be easier for us to say because we would know what they're investing in... We actually just haven't really got a clue what they're doing" – Micro, salon, water-dependent, Northumbria

Wastewater

Participants in Northumbria only were asked to look at a list of factors within wastewater, and again to allocate 100 "investment coins" across them, to indicate their relative importance.



Base: participants in Northumbria (15)

X axis: number of "investment coins" allocated

Shown: average number of "investment coins" allocated to each activity

Wastewater is an issue which didn't provoke particularly strong emotion. Most NHHs in the North East hadn't experienced any issues with their wastewater and more easily relate to the broader topic of asset health.

"I literally don't have a problem with that, this isn't something I've experienced so I haven't got an opinion on it... It's not something I've ever had to think about, never mind deal with" – Small, coffee shop, water-dependent, Northumbria

Some comments were made which linked flooding to climate change. Some feel the onus is on NWG to be more proactive in alerting customers to likely flood events. One NHH received a call from NWG about a potential flooding risk because they were in an area that had been flooded previously; they found this positive.

"The world's changing, we're going to get more flooding now due to the weather. So you know, this isn't sneaking up on anybody, this has been predictable for a long time" – Micro/small, distillery, water-dependent, Northumbria

Smart Metering

SUMMARY	OPPORTUNITIES
– Few real barriers to smart metering – Most NHHs recognise the benefits of smart meters, in particular billing accuracy, water efficiency (and waste reduction) and leak detection – Although some, in particular unmetered micro organisations, worry smart metering will have a negative impact on their bills	– In terms of priority, NWG would do well to consider rolling out to medium and large organisations first, as they are most vocal about the benefits – Emphasise the benefits to encourage reluctant NHHs to welcome smart meters – Ensure that NHHs can access their own consumption data. Some organisations want to use insight to enable operational improvements

With regards to current metering, there is a continuum among the organisations we spoke to, from complete ignorance to sophisticated data usage. This typically (but not 100%) maps against size of business. Many small organisations are not even aware of what type of meter they have or where it is; whereas some larger organisations get continual data reads across multiple properties in order to achieve efficiency, and get early alerts of problems.

"We have smart meters installed... You can just scan it on your phone and you can see your water usage, and what's your upcoming bill's gonna be and then you can submit your water reading to the company as well. So yeah, the smart meter read kind of makes you focus on not consuming too much water. So, it's quite good to analyse how much water you're using, if there's any water wasted, or the cost of the water. So, it's much better" – Medium, manufacturer, water-dependent, Essex

"It also flags up if you've got a problem, because you can monitor month to month usage. And it doesn't take a very big leak to waste a lot of water. It's surprising how much water you can lose with an overflowing toilet... [Our meters] aren't smart, but we do monitor them quarterly. So we can we can pinpoint a leak fairly early" – Medium, country estate, water non-dependent, Northumbria

"[We pay] a fixed charge linked with business rate... which I prefer. We could have had a water meter in but because the way it is I treat it as a fixed cost, I've got the same every month" – Micro/small, retail, water non-dependent, Northumbria

We discussed the notion of smart meters and a possible roll-out of smart meters to organisations. Medium and large NHHs generally feel this would be positive and have multiple advantages. Smaller NHHs have a more mixed opinion, partly because many are currently unmetered. In particular where bills are currently low they cannot see a marked benefit.

The perceived advantages of smart metering are:

+ Transparency – being able to see exactly what you're using
+ Less time spent reading meters
+ Responsibility – seeing the real-time impact of water usage as a way of acknowledging the concept of "wasting water"
+ Efficiency/control – learning from usage data to use water in the most efficient way
+ Leak detection – having early alerts that might indicate a leak

+ Many have had positive experiences using smart meters for gas and electricity so there's already proof of concept

"We feel water meters are gonna be easier, to reduce the need for having a facilities management person [to read meters]... So that can reduce the amount of work and cost to them" – Large, property company, water-dependent, Essex

"It gives you accurate readings and they don't have to come out to your house...It just monitors your water and what you're using as well. So it's a little bit more updated and I think a smart meter is probably a bit smaller as well and bit tidier" – Mixed-use, property management, water-dependent, Essex

Some downsides of smart metering were mentioned, particularly by smaller NHHs. Often these downsides are not top of mind; and many of those who could name downsides are not (on balance) averse to having a smart meter. Nonetheless, it's worth NWG being aware of the possible pushbacks that might be encountered in the event of smart meter roll-out.

+ The main opposition comes from inertia, and this is typically from smaller businesses who believe that their current metering setup is adequate
+ Smaller businesses who are on fixed rates for water are unlikely to see a cost reduction if they switch to smart metering
+ There are concerns around the fluctuation in bills caused by smart metering. Some businesses prefer to have their costs fixed or spread over the year
+ A concern that they would become 'meter-obsessed' and start worrying about their water consumption, at a time when they are already worrying about their gas and electric consumption – they would rather water remain at the back of their mind
+ Some fear that the roll-out might involve extra costs – either for installation or "hidden" ongoing administration fees
+ Some have heard rumours that smart meters can go wrong, or could be hacked
+ Some participants talk about other NHHs they're aware of that (in their opinion) are wasteful of water, and characterise them as being resistant to smart meter roll-out as it might force them to change their ways, and they might feel that they're being spied on

"If you're going to have this smart technology, that's...going to increase your water bill, surely" – Mixed-use, retail, water non-dependent, Suffolk

"I've heard some stories that maybe some meters go wrong, and thereby giving a wrong reading and therefore inflating your bill" – Medium, manufacturer, water-dependent, Essex

"I won't have one for my electric so I didn't see why I should have one for the water. The one that I've got is perfectly fine as far as I know" – Mixed-use, retail, water non-dependent, Suffolk

There's not a consistent view on who should choose the type of smart meter to install – whether it's the wholesaler, retailer or end user. Some feel it could be a collective effort to establish the best option. For NHHs dealing with more than one location, there would have to be a lot of discussion about what type of smart meter was suited to different types of property and need.

"Some smart meters might need access, better Wi-Fi... dependent on where the location is they could have a smart meter" – Large, property management, water-dependent, Essex

"It should be the wholesaler, because the retailer may supply a meter that ties you into that particular retailer, making it difficult to move" – Medium, manufacturer, water-dependent, Essex

"Definitely the company should be recommending something, depending on the usage and stuff. And then ultimately, it's customer choice if they want to choose something else" – Mixed-use, wholesaler, water-dependent, Essex

One NHH talks about the need for standardisation of meter types to ensure consistency and make a future change of retailer easier:

"If all the retailers and all the wholesalers came together, agreed on a piece of equipment, that's going to work and with guarantees, then at least you're not swapping and changing meters all the time, because that's very restrictive and very expensive" – Medium, country estate, water non-dependent, Northumbria

Water Efficiency

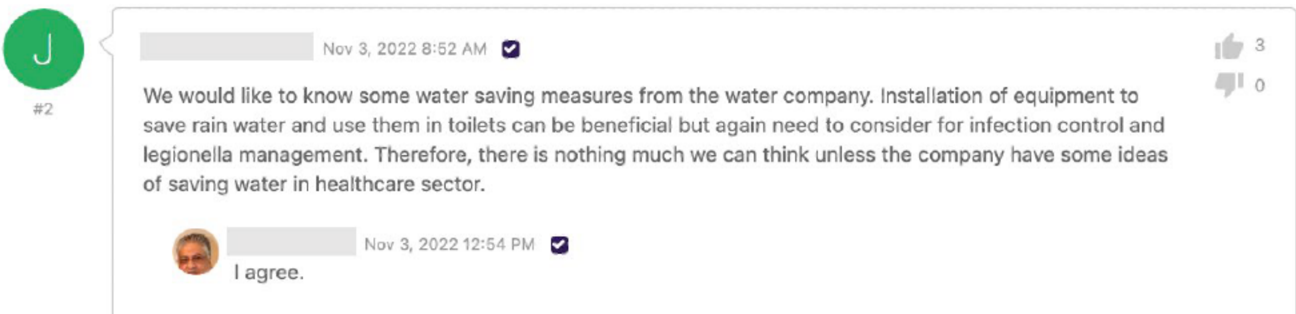
SUMMARY	OPPORTUNITIES
– There is considerable appetite to be more efficient with water, although even in Essex and Suffolk where drought is an issue there is more currency in not being wasteful and incurring extra costs than in environment benefits per se – However, whilst NHHs understand the importance of water efficiency, they are not always proactive in implementing measures, so would welcome assistance from NWG	– NWG to proactively reach out to NHHs about water efficiency approaches – Communication needs to be highly targeted towards the immediate benefits of water efficiency and not necessarily in the language of wider environmental concerns – Smart meter roll-out provides a natural opportunity to promote benefits of water saving devices, since smart metering represents a reality check on consumption

The need for water efficiency is widely recognised across the NHHs we spoke to. Many have water-saving processes and devices in place; and those that don't have anything in place tend to come across as apologetic or even a little embarrassed – which shows that water efficiency is generally considered to be an important goal.

"I've become obsessed with gas and electric and water… I'm always looking when the taps are left on or running… It's because of money" – Mixed-use, property management, water-dependent, Essex

"There's smart taps, there are signs on the toilet which say use this button for reduced water, this one for a full flush. But it's pre-set to use the reduced one unless you want the full flush. So, there's different things in place. Then there's education, there's plenty of signs saying, Please don't waste water" – Large, property management, water-dependent, Essex

"I've got the bag in the cistern, and whatever that little block is in the showerhead, and I've tried to be economical and try to do my bit for the environment" – Mixed-use, retail, water non-dependent, Suffolk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#2
Nov 3, 2022 8:52 AM
We would like to know some water saving measures from the water company. Installation of equipment to save rain water and use them in toilets can be beneficial but again need to consider for infection control and legionella management. Therefore, there is nothing much we can think unless the company have some ideas of saving water in healthcare sector.
3
0
Nov 3, 2022 12:54 PM
I agree.

Snapshot from online research community discussion; anonymised

Often, the primary reason for adopting water efficiency measures is a desire to avoid wastefulness, although cost saving is an easily understood and universally relatable hook.

For many – particularly larger educational organisations – this is closely linked to the notion of sustainability. Indeed, for NHHs the notion of water saving to mitigate water shortages (or save the environment) is not a strong motivator, particularly in the North East of England where water is considered a plentiful resource. The driver is more about being responsible and future-focussed about resources, rather than real fears or concerns about the current situation. There is also a sense that there is only so much NHHs can do.

- Some argue they can't do much to influence water wastage by end users (customers, tenants, students etc), even if they could influence employees
- Some feel the cost and effort of putting in water-efficient measures outweighs the benefits and bill impacts of the savings made – especially for small and micro-organisations. For instance, some have considered putting in sensor taps but couldn't justify the cost for their organisation

"We can put special taps in that have sensors in but obviously this would cost us quite a lot of money to do. I think the workaround there is just put notices up saying, please save water. we can only we can only ask them, we can't force them" – Small, estate agent, water non-dependent, Essex

Overall, there is a lack of awareness about ways to reduce water consumption – and even those who know of ways to save water haven't always thought about how to bring these to their organisations. The NHHs we spoke to want to hear from other NHHs on how they have successfully saved water, and want advice from NWG in particular. They feel NWG is well placed to advise them, and would have more incentive to do so than a retailer.

"They've got to educate us rather than expect us to come up with every solution" – Medium, construction, water-dependent, Essex

"[I thought the] retailer or the wholesaler would be able to give us more indication of how to save water efficiency… but haven't had much success. So I've had to Google 'business water efficiency' to find out what my business can do" – Medium, manufacturer, water-dependent, Essex

In the context of water efficiency, leakage is a frustrating issue for NHHs. Leaks are a very emotive issue in general, and NHHs feel it is hypocritical of water companies to be pushing customers to save water when large amounts are lost to leaks.

In a similar fashion, visible leaks are especially frustrating, and risk putting NHHs off water efficiency measures. NHHs feel that if they are working to reduce their water consumption (especially if the measures they chose involved upfront costs), then NWG should be investing in fixing and preventing leaks.

"They have to be more efficient themselves… I think last week, they were mentioning 50 swimming pools worth of water every day that that's going to waste. So if they're telling us as a business to be more efficient, they have to put their money where their mouth is and be more efficient as well just set that good example" – Medium, construction, water-dependent, Essex

Affordability

SUMMARY	OPPORTUNITIES
– NHHs are finding the cost of living crisis challenging and are open to hearing if NWG could offer support – However, water costs tend to be the least of their concerns, even for mixed-use NHHs – Mixed-use NHHs don't not see themselves as distinct from any other organisation that might be struggling – NHHs feel that a push on water efficiency would be a more positive and appropriate measure of 'support' than affordability measures per se	– Whilst organisations were able to suggest many ideas for organisations in crisis, even a small gesture might be sufficient to demonstrate fairness – The availability of support of whatever nature might positively impact NWG's reputation – NHHs had no strong feeling about who (wholesaler or retailer) should be responsible

All NHHs are feeling the brunt of the cost of living/doing business crisis. In particular they are affected by:

+ Soaring costs of gas and electricity
+ Raw materials cost
+ Tightening of belts among clients and customers, leading to reduced expenditure
+ Customers and clients defaulting on payments

"Energy, oil, gas, everything has a knock-on effect…and it has an effect on businesses as well as normal consumers" – Mixed-use, wholesaler, water-dependent, Essex

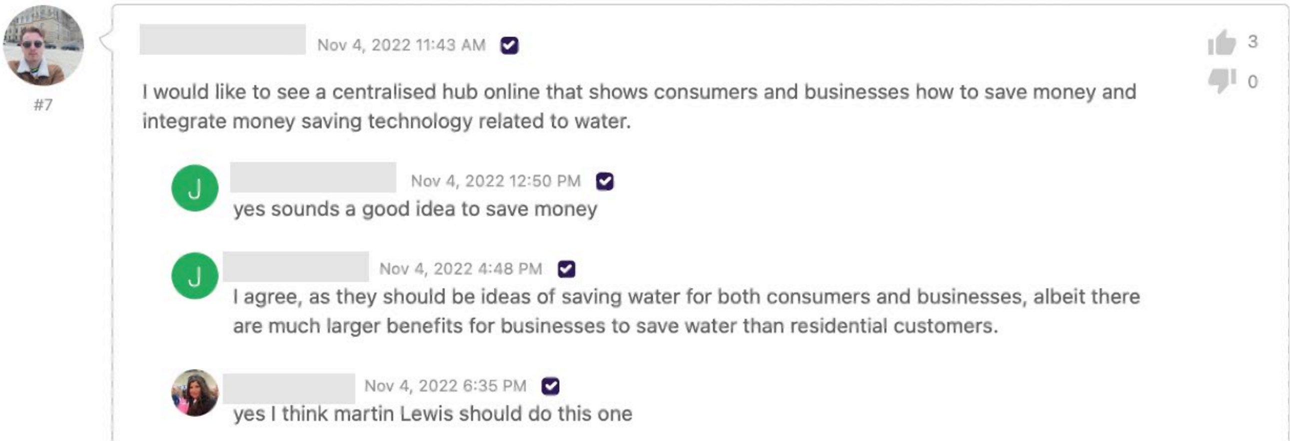
In the context of this wider crisis, water is perceived to be a relatively small outgoing and generally affordable. NHHs have not typically asked NWG for financial support, and most wouldn't consider it. There is some altruistic concern expressed for "vulnerable" NHHs, and various suggestions made about how NWG (or the retailer) might address issues of affordability: but generally the cost of water is not felt to be a burning issue.

"I think water is quite cheap anyway. The bill's a lot cheaper than gas and electric" – Medium, construction, water non-dependent, Suffolk

Measures which were suggested to help with affordability were as follows:

+ Payment holidays or deferred payment plans
+ Small levy to bills to fund a pot to help vulnerable businesses: although on further discussion, many were opposed to this as they feel they should not be charged extra
+ Incentivisation – use/waste less, pay less (lower tariff): NHHs feel this would be a good compromise for NWG, as it benefits both customer and wholesaler
+ Water efficiency audit, meter reads, leak detection and repairs: with the expectation that this would be either free or heavily subsidised by the retailer or wholesaler

+ Subsidised water efficiency products: not all NHHs are willing, or could justify upfront costs on water efficiency products, but would be willing to use them if they were provided for free or at a discount, like they are for domestic customers



snapshot from online research community discussion; anonymised

It is worth noting in this context that – because the delineation of responsibility between wholesaler and retailer is often poorly understood – that there was little meaningful response when we asked about which party should be responsible for addressing affordability. When pushed, some participants said that retailers are best placed to identify NHHs in need of support, since they may notice issues with paying bills, and would be most NHHs' first port of call. But some recognised that retailers play the role of a middleman, and that the financial onus should be on the wholesaler since they are the supplier of the end product.

We spent extra time probing our mixed-use NHHs to establish if the issue of affordability was any different for them – the assumption being that (for example) a business that was also responsible for domestic charges in an attached property might expect NWG to provide financial support to the business, on the basis that support is technically available to domestic customers. Our mixed-use NHHs didn't make this connection; and their views on affordability are in practice no different from those of non-mixed-use organisations.

Ultimately, whilst affordability is not a major issue, there is an appetite for the retailer or wholesaler to be 'seen' to offer something. Here, there is an undercurrent that because support is available in other sectors (e.g. Asda £1 Cafe meal for over 60s, BT social tariff broadband) there might be much to gain reputationally, and very little to lose, since water and its associated costs feel less critical than those of other utilities.

Ofwat's BR-MeX Proposal

SUMMARY	OPPORTUNITIES
– NHHs opposed to rewards/ penalties that can impact on tariffs (positive or negative)	– There is little positive in the intent of this scheme: NHH can only see negative outcomes – Ofwat proposal needs to be more wholly positive if it is to gain acceptance of NHH community

NHHs were asked to react to a current Ofwat proposal, which was framed as follows:

+ Business customers and retailers to rate the quality of service that wholesalers provide to retailers
+ Wholesalers to be rewarded or penalised according to their rating
+ Wholesalers who get better ratings will be rewarded - this reward would be paid for through an increase in all non-household customers' charges
+ Wholesalers who get worse ratings will be penalised – this would mean all non-households would receive a discount on their charges

Reactions range from mixed to negative. No NHH we spoke to is strongly in favour. NHHs are typically more in favour of the notion of penalties than rewards – and it is felt, more often than not, that NHHs should not have to fund rewards.

"It's awful... Every company wants you to rate it these days... And then we'll be rewarded or penalised depending on if it's been rated a good water system. I think it's so cheesy. I don't buy into any of that. Not interested" – Mixed-use, property management, water-dependent, Essex

"I'm not sure that the wholesaler should be rewarded, because you expect them to provide a good service... So they shouldn't be rewarded if they're doing better because that's what you expect" – Medium, construction, water-dependent, Essex

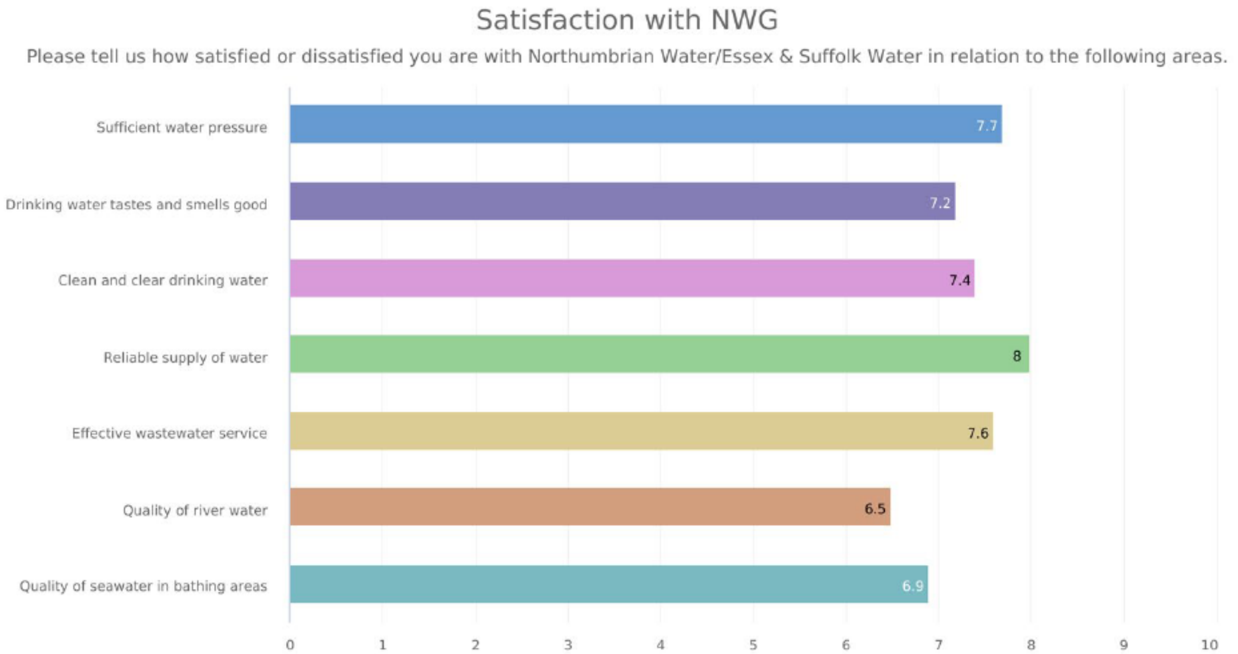
NHHs feel that the proposal could incentivise customers to rate their wholesaler poorly in the hope their bills would decrease, and that the system would therefore be unfair. They feel that poor service to retailers would likely require more funding to resolve, rather than less.

"There's a fundamental flaw whereby business customers, it works in their advantage to give negative reviews in order to you know, lower costs. And so I don't understand how this would work" – Micro/small, healthcare, water non-dependent, Essex

Satisfaction

SUMMARY	RECOMMENDATIONS
– NHHs are relatively satisfied with service from NWG – Positively, reliable supply of water is the highest rated area – Whilst scores for river/bathing water are lower, this seems to be a national rather than a NWG-specific issue	– Address issues and concerns around the taste and smell of drinking water and consider how to increase and also communicate leak-fixing agenda – Consider how best to allocate investment on addressing river/bathing water concerns; this feels beyond the scope of NWG to influence

Participants in Northumbria were asked to rate NWG against 7 factors, including some relating to Wastewater, on a scale of 0 to 10, where 10 was "very satisfied".

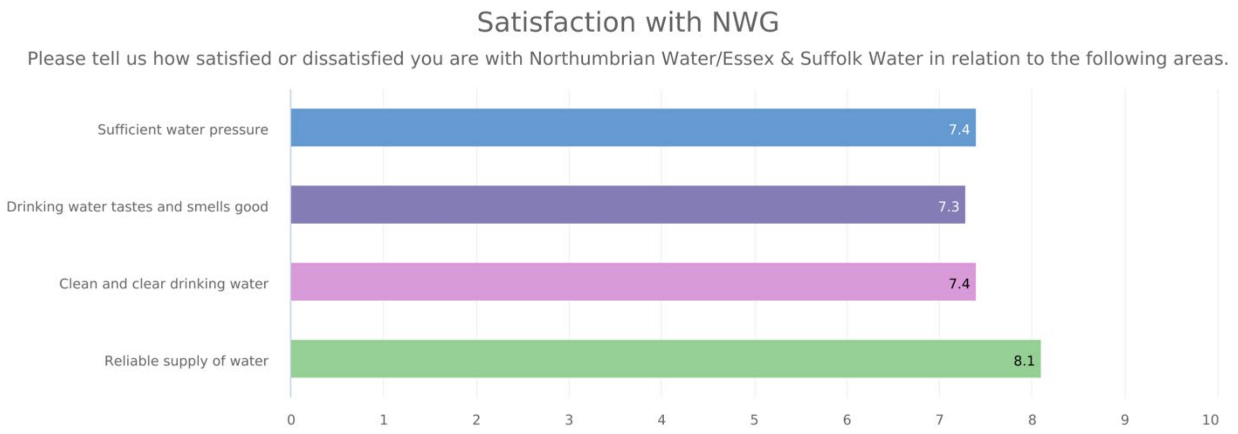


Base: participants in Northumbria (15)

X axis: 0 = not at all satisfied; 10 = very satisfied

Shown: average satisfaction in each area

Participants in Essex and Suffolk were asked to rate NWG against four factors (not including Wastewater).



Base: participants in Essex and Suffolk (15)

X axis: 0 = not at all satisfied; 10 = very satisfied

Shown: average satisfaction in each area

Our overall conclusion is that the relationship between NHHs and NWG is a distant one. This is partly a function of the shape of the market, whereby the retailer now takes over many of the functions the wholesaler used to perform.

It also relates to the fact that NWG is not top of mind as an organisation. This is mainly because it's felt that NWG has done little to impinge itself on the consciousness of NHHs – either via press coverage (often negative, as in the example of Southern Water's fines for sewage dumping) or by communication, whether direct (for example, sending information or advice to customers) or indirect (for example, by sponsorship).

"I did hear quite bad things about Thames Water, you know where the water is polluted and the sewerage and the drinking water is dirty, but not the companies that we're talking about [NWG]" – Large, retirement complex, water-dependent, Essex

"I hear more about Anglian Water, or other water companies. Northumbria and Essex and Suffolk, I don't really hear much about them. They don't really seem to get their name out there...They don't really publicize what they're doing as much as other companies" – Medium, construction, water-dependent, Essex

"The only thing that I've heard recently is all the sewage going into the sea...That's the last thing we want. The holidaymakers come here...that's a lot of my trade. And they don't want being put off by all this rubbish in the sea" – Mixed-use, retail, water non-dependent, Suffolk

It's encouraging for NWG to note that in both operating areas NWG gets its highest score for reliability of supply; but the relatively low score for taste and smell of water is concerning, especially given the importance that NHHs put on this measure.

As we can also see there is not a strong connection between NWG and the environment (river and bathing water quality). Indeed, this feels like an opportunity, as people did not express negative views: NHHs tend to cite stories outside of NWG operating areas in this context.

In this respect, and given real interest in sustainability amongst NHHs, it would appear that NWG has an opportunity to get NHHs more on side by talking about its work protecting the local environment and communities, through a focus on not being wasteful and trying to save water responsibly.

Appendix

Sampling materials

Screener

I am calling on behalf of […] about a consultation [Northumbrian Water/Essex & Suffolk Water] wish to carry out with public, private and not for profit organisations about its services. This is really important study for them, they will use this information to help shape their investment in services for the next 5 years.

I will need to ask you for some information about you to see if you qualify for this market research. If you qualify you will be asked to take part in a four-day online community, and potentially take part in an online discussion group.

If you go on to be part of the research you will be incentivised with up to £200 for completing both the online community and online discussion group paid by BACS/ CASH/ etc. The online community will be happening on 31st to the 4th October 2022. The online focus groups will be happening over the 8/9/10th of October and you will need to be available for all the community and for one focus group.

This project is being carried out by Yonder on behalf of [Northumbrian Water/Essex & Suffolk Water] . Yonder is a member of the UK Market Research Society, and abides by the Market Research Code of Conduct. Your responses are completely confidential and will not be made available to the client in any way that will be personally identifiable back to you, nor will they be passed on to any third party.

Please confirm and acknowledge that you understand how your personal data will be used and that you have been referred to recruiter's privacy policy and have no objections to such use?

Yes **CONTINUE**
No **CLOSE**

Ensure this is read out in full

RESEARCH FREQUENCY QUESTIONS

Q1 Do you work in any of the following professions?

- Journalism
- Market Research
- Advertising
- Marketing
- Public Relations
- Utilities company
- Environmental agency
- Water Company
- Water regulation body
- None of the these **(Continue – all others close)**

Q2 Have you ever taken part in market research?

Yes	ASK Q3
No	SKIP TO Q4

Q3 What was the date of your most recent market research?

Write in____

Close if participants have been to any market research in the last 6 months
This includes focus groups, online forums, online groups, user tests, depth interviews, mystery shopping, telephone research.

Q4 Which of the following best describes the type of organisation you work at?

Public company	SKIP TO Q5b
Private business	SKIP TO Q5b
Not for profit organisation	SKIP TO Q5b
School / educational body	CONTINUE TO Q5a

Recruit to quotas

Q5 Which of the following best describes the size of the organisation you work at?

School (Primary/ Secondary)
College
University

Recruit to quotas

Q5b Which of the following best describes the size of the organisation you work at?

I am a sole trader / micro: 0 to 9 employees
Small: 10 to 49 employees
Medium: 50 to 249 employees
Large: 250+ employees

Recruit to quotas

Q6 Which best describes what your place of work does?

A: Agriculture, forestry and fishing
B: Mining and quarrying
C: Manufacturing
D: Electricity, gas, steam and air conditioning supply
E: Construction
F: Wholesale and retail trade
G: Transportation and storage
H: Accommodation and food service activities
I: Information and communication
J: Financial and insurance activities
K: Real estate activities
L: Professional, scientific and technical activities

M: Administrative and support service activities
N: Public administration and defence
O: Education
P: Human health and social work activities
Q: Arts, entertainment and recreation
R: Other service activities
S: Activities of households as employers
T: Activities of extraterritorial organisations and bodies

Recruit a mix of organisation types, where water dependant and where water non-critical

Q7 What is your job title within this organisation, and can you give me a brief description of what that involves?

Write in_____________________________

Record

Q8 Are you responsible for decisions your organisation/ school makes about its water retailer? This could be things like setting up your organisation's water retailer account, making changes to your water retailer contract or choosing a new retailer.

Yes	Skip to Q10
No	Continue to Q9

Q9 Who is responsible for any decisions to your organisation's/ school's water retailer?

Check if participant is able to refer you to someone in the company/ school who is responsible for this. Otherwise CLOSE

Q10 How reliant are you on water services?

As an organisation we are reliant on water for our business operations (i.e. cooking, cleaning, producing drinks, watering, swimming pools etc)
As an organisation we mostly use water for typical domestic uses (i.e. drinking, washing hands and toilets)

Recruit to quotas for water dependent / non-critical

Q11 Does your organisation operate from commercial/ public premises?

Yes	CONTINUE
Yes, across multiple different premises	CONTINUE
No, it operates from my home	CLOSE

Recruit to quotas for multi-site businesses

Q12 Is your organisation's premises mixed with a domestic home (i.e. a shop with flats above, or a business with living premises at the back)?

Yes	CONTINUE
No	CONTINUE

Recruit to quotas

Q13 Who supplies your water?

Northumbrian Water	CONTINUE
Essex & Suffolk Water	CONTINUE
Any other provider	CLOSE

Q13b Who supplies your sewerage?

Northumbrian Water	CONTINUE
Essex & Suffolk Water	CONTINUE
Any other provider	CONTINUE

If Essex & Suffolk Water for both water and sewerage - challenge

Q14 Where is your organisation based?

Write in place/ postcode ____

Ensure range within areas. Close if not within Northumbrian Water area / Essex / Suffolk

Q15 And who bills you for your water?

ADSM

Business Stream

Cambrian

Castle Water

Clear Business Water

[redacted]

First Business Water

Pennon

Olympos Water

SES Water Business

Smarta Water

Source for Business

The Water Retail Company

Veolia

Water2Business

Water Plus

Waterscan

[redacted]

Yu Water

Don't know — Allow participant to go and check – if still unsure, Close

Other

Record – if not on list, check with Yonder
NB: participants must be billed by retailer in list to participate

Q17 In the past 12 months, have you been affected by any of the following at your organisation's premises/ site?

Poor customer service from water retailer

Water supply interruption/ outage

Having to boil drinking water

River or bathing water pollution

Sewer flooding outside premises

Blockage

Leaks or burst outside premises

Low water pressure

Appeal to your business to use less water by your water retailer / provider

Difficulty paying your business' water bills

Recruit to quotas – minimum 15 Min to have been affected by any of the issues above

Q18 In order to be able to join the interview online, we need to check a few things regarding the technology we will use. Can I confirm you have access to a laptop, desktop computer or tablet with internet connection to use to join the session, with a working webcam and microphone that you are willing to have turned on during the session?

Yes	**CONTINUE**
No	**CLOSE**

Q19 Are you available on the dates for the community and appropriate focus group or triad? [recruiter to cross-check dates]

Yes	**CONTINUE**
No	**CLOSE**

Research materials

For the retailer phase

Retailer discussion guide

Overview

This document is a flexible guide to support conversations, and questions will be tailored to individuals according to their roles and responsibilities. Upfront sections (background and Wholesalers & NWG) will be asked to all interviewees). Questions may not be asked in the specified order and will be used in a conversational manner.

These conversations aim to develop a broader understanding of each of the retailers and the culture of the organisations.

In this respect moderator to broker tour of retailer building where possible and request opportunities to take photos that can bring further insight and context in retailer as organisation.

Introduction

+ Introduce Yonder, independent research agency
+ Background of the research: to gain insight into retailers' experiences and understand how NWG can deliver the best possible service for them.
+ There are several topics we're looking to explore, and they may not *all* be appropriate to your work at [retailer] – so let me know if I ask you anything that you are unsure about
+ Any questions before we begin?

Emphasise consultative nature of research – fundamentally NWG want to learn how to do better business with you and better support you as a business and, in this respect, nothing is off limits!

Background

[Researcher to note environment, any nonverbal cues and general atmosphere for each retailer]

- Please describe your day-to-day job role and responsibilities?
    + What do you like most about it?
    + What's challenging?
- What is it like to work at [retailer]? What's the culture like? What are the best and worst things about the organisation?
- What are [retailer's] main business priorities?
    + Where do you see as the main challenges in delivering against this?
- Regarding any of the above, what should any supplier be mindful of? How can they help and assist [retailer] to flourish as an organisation?
- And what should wholesalers be most mindful of in general?

Wholesalers & NWG

- What is the nature of your relationship with wholesalers?

  - What interactions do you have with them as part of your role? Describe in detail.
- What is your impression of the different wholesalers you work with?
  - Who are the best-in-class for you and why, what do they do differently than others?
- Thinking about the following [R-MeX] areas which wholesaler represents best in class, providing examples
  - Speed and quality of responses to service requests
  - Level of comms during incidents
  - Quality of data maintenance and improvement
  - Effectiveness of systems and notifications
  - Level of engagement and support
  - Financial policies
- What are your overall impressions of NWG?
  - What specific interactions do you have with them?
  - How do you find working with them?
  - What have you heard about them from colleagues?
  - What is NWG doing well? Probe in detail
  - Where can NWG do better?
    - What would help you work with them better / more closely?
    - What should NWG focus on? What should they prioritise?

Data quality

This refers to market data on a central recorded system which retailers can access – CMOS (Central Market Operating System). The database contains information about NHH properties (address, type of meter, location of meter). This information is updated by wholesalers – so quality and recency of data varies from wholesaler to wholesaler.

- What does 'good' and 'poor' data look like?
  - What are the implications for your work? And for retailer as a whole if data 'good' or 'poor'?
- What are your views on current data quality from NWG?
  - Where are they delivering against your needs?
  - Where are they falling short?
  - What needs to be improved?
- Specifically, how accurate is NWG's data?
  - How up to date is it? And how does this impact your work, your operations as a retailer, your customers?
  - How does the data NWG provide work with your systems / databases?
    - Consistency / ease of navigation etc
    - What would make this data simpler / streamlined etc for you?
- How does NWG's data compare to other wholesalers' data? Probe in detail.
  - What learnings NWG could take from other wholesalers on this?

R-MeX

August 2022

Rank	Wholesaler	Overall service	Speed and quality of responses to service requests	Level of communication during incidents	Quality of data maintenance and improvement	Effectiveness of systems and notifications	Level of engagement and support	Effectiveness of financial policies
1	Affinity Water (WSL)	**8.50**	8.91	8.4	8.10	8.33	8.91	8.10
2	Portsmouth Water	**7.89**	8.33	7.78	7.50	8.33	8.44	8.00
3	United Utilities Water	**7.85**	7.54	7.23	8.00	6.46	7.77	8.42
4	Bristol Water (WSL)	**7.82**	8.10	8.18	7.50	7.00	8.27	8.50
5	Yorkshire Water	**7.77**	7.77	7.75	7.31	7.77	8.08	7.83
6	South West Water	**7.73**	7.30	7.9	7.60	6.90	8.00	8.09
7	Wessex Water	**7.67**	7.62	7.62	7.00	6.50	7.33	7.89
8	Northumbrian Water	**7.64**	7.18	7.73	7.27	6.45	7.82	8.30
9	Anglian Water (WSL)	**7.62**	7.38	7.58	7.42	7.38	7.85	8.17
10	Sutton and East Surrey Water (WSL)	**7.56**	7.89	7.88	7.25	6.78	7.62	7.44
11	Southern Water	**7.30**	7.20	8	7.11	6.80	7.80	7.30
12	South Staffordshire Water	**7.17**	7.50	8.18	7.20	7.17	7.73	8.27
13	South East Water	**7.00**	7.25	7.88	7.00	6.12	7.50	7.44
14	Thames Water	**6.79**	6.07	6.54	6.57	7.17	7.21	7.00
15	Severn Trent Water	**6.00**	5.67	7.29	6.21	6.57	6.67	6.57
	Whole Market	7.49	7.45	7.73	7.27	7.05	7.80	7.82

- How is NWG performing against the different categories (relative to other wholesalers)?
  - Overall service?
  - Speed and quality of response to service requests?
  - Level of communication during incidents?
  - Quality of data maintenance and improvement?
  - Effectiveness of systems and notifications?
  - Level of engagement and support?
  - Effectiveness of financial policies?
- How have your needs as a retailer evolved since PR19 – what should a wholesale need to know to provide a better service in any of these areas?
- How does NWG compare to other wholesalers?
  - What do other wholesalers do well that NWG isn't currently doing?
- What is NWG doing well at / should continue doing?
  - And what needs to be improved?

Policies and tariffs

NWG wants to understand retailer appetite for standardisation of policies and tariffs, and explore how this would impact their work. This would be an industry-wide change.

- What do you think of NWG's current policies and tariffs?
- How does wholesalers having different policies / tariffs impact your work?
- Thinking about customers with multiple sites across the UK, served by different wholesalers, what challenges does this present?
- And what does this mean for your systems/ process – is this something that is easily accommodated or does it present challenges? Describe in detail the impact on systems.
- What are your thoughts on a push for increasing standardisation of tariffs across wholesalers?

- And more importantly perhaps, what impact would having standardised tariffs have on your business?
    + In terms of data management?
    + In terms of billing customers?
    + In terms of your finances?
+ And what do you think relevant customers would feel about standardised policies and tariffs? And what might be the benefit for them?

Throughout moderator to explore the pain vs. gain around standardisation and to what extent there might be a real appetite for it i.e. what does the reality of pushing for this mean for retailers?

Smart meter rollout

NWG is planning to roll out smart meters across the Essex & Suffolk area. However, they are not planning a full roll out in the North. A smart meter rollout will likely impact – data (accessibility of the data for the retailer and NWG, considerations around standardisation of data etc), meter reading logistics (currently meters are read by meter reading providers at the retailer's expense) and cost. At the moment, NWG are thinking of rolling out 'proper smart meters' but retailers may want something different.

NHH smart meters are currently one of the following models:

- *Smart meters (but are currently not enabled, so will need to be exchanged free of charge for the customer). Some larger smart meters will need a data logger fixed*
- *Meters fitted with a pulse cable which offer readings on a regular basis (every 1h etc)*
- *Meters that aren't compatible with pulse cables that need to be read manually*

- How do you currently take meter readings?
    + What is your involvement in this? (vs NWG, meter reading providers)
    + How well does this process currently work?
    + What are the challenges?
    + What would help?
- How do you feel about a smart meter rollout to your customers?
- What would the impact of a meter rollout be?
    + On you as a retailer? What would it enable / what would be the challenges?
    + On your customers?
    + Any other impacts?
- What would be the financial / logistical implications?
- How would you want NWG to go about delivering this rollout?
    + Which properties should be prioritised in a rollout?
    + Prompts: high volume users, specific sectors, specific sites or locations?
- What meter models do you want?
    + Any views on the different types of models?
- How does this interact with data quality?

Service priorities

- What's most important to you as part of PR24?
- What do you most want NWG to deliver / prioritise going forwards / as part of PR24?
    + What's most important to you as a retailer?
    + Is there anything that is less important?
- Thinking about the following areas what would do they think NWG should be looking towards achieving/ introducing? Please provide context to support e.g. if retailer says improved flood defences in specific region can they cite data, incidences which underpin why this needs to be a priority
    + Resilience
    + Reliable service (unrestricted water and waste water)
    + Water efficiency
- How do these other priorities sit with you? (Stim TBC)
    + Clean and clear water (safety, compliance to water risks and mitigating events, appearance/taste/smell of water)
    + Sewage and flooding (internal and external sewer flooding, risk of sewer flooding in storms, reducing the risk of sewer blockages and sewer collapses)
    + Affordability & inclusion (good value for money, providing support with bills, flexible payment services, service priority list)
    + Improving the environment (beach and river water quality, reducing pollution incidents)
    + Supporting communities (supporting local suppliers, giving time and resources to causes)
    + Innovation (innovation festivals, design sprints)
- Overall, what do you feel NWG top 3 priority areas should be and why?
- Is there anything additional that NWG should be focussing on as part of PR24 in your view? Is there anything missing?

Summary and roundup

- What are the top 3 things you would like to see NWG focussing on?
    + 1 each from 'to help you flourish as a business' 'to make your day to day dealings smoother' 'to benefit your customers'

At end, moderator to ascertain, mindful of the nature of what's been discussed, whether there is anyone else we should speak to today that can provide specifics on any of the question areas.

Retailer stimulus

Resilience

NWG aims to deliver reliable and resilient services by anticipating change,planning aheadand by making the right longterm decisions about how to run our business.

Things that are top of mind

+ Making sure there is enough water for every one of our customers– now and in the future.
+ Making sure the north east's drainage and wastewater systems will work as we face challenges from climate change, population growth and more land being built on.
+ Ensuring NWG can provide continuous services to sensitive site (vulnerable residential populations, hospitals, prisons etc)

2 |

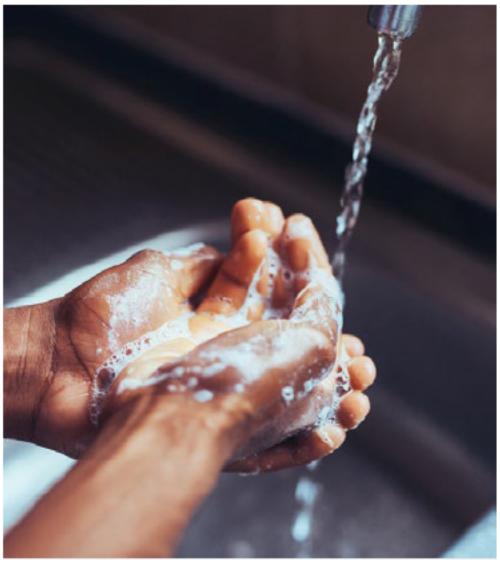
Reliable services

NWG is committed to providing a continuous supply of clean, clear water and for removing and treating waste water at one of our treatment works, before safely returning it back to the environment.

Key priorities

+ We will operate and maintain our water network to ensure we provide safe clean water at all times.
  - Reducing the number of times a customer's water is unavailable/interrupted for three hours or more
  - Maintaining sufficient water pressure for the organisations we serve to operate
+ An effective wastewater services:
  - Reducing blockages in the sewer network
  - Reducing the risk of sewer flooding
  - Reducing the risk of sewers collapsing

3 |



Clean and clear water

NWG is committed to supplying clean, clear water that tastes good and for removing and treating wastewater at one of our treatment works, before safely returning it back to the environment.

Key priorities:

+ Our drinking water is clean, clear and tastes good
+ We are resilient and provide clean drinking water and effective sewerage services; now, and for future generations.

4 |

.YONDER

Water efficiency

Saving water in the workplace reduces bills, but it also has many other benefits, such as:

- Helping your business to comply with current and future environmental legislation
- Reducing your carbon footprint
- Improving your company's environmental performance
- Generating positive PR

Key priorities

+ Supporting businesses to make water saving (e.g. through grey water recycling, waste minimisation etc)
+ Reducing leakage

Customer experience

We believe excellent customer service is about getting it right first time, every time. We put customer service at the heart of everything we do and we want to impress you with excellent service.

Key priorities

It's important that we understand your needs, so we provide an account manager to handle your business with us. Our account managers will:

+ talk through and agree contractual issues
+ manage regular liaison meetings
+ work to find the right solutions for you

Affordability

Ensuring that customers are receiving good value for money for the services they use. And supporting customers who are struggling to pay their bills.

Key priorities

+ Helping NHHs understand their usage
  + Water efficiency audits
  + Meter reads
  + Leak detection and repairs
+ Help NHHs avoid disruptions which can be costly for businesses

Sewage and flooding

At times of heavy rainfall sewers can reach full capacity and there's a risk that rainwater and wastewater can be forced back into properties.

NWG want to eradicate internal sewer flooding which are caused as a result of NWG operations and services.

Key priorities

+ Reducing internal sewer flooding including repeat sewer flooding
+ Reducing the risk of sewer flooding in a storm
+ Reducing the risk of sewer blockages and collapses

8 |

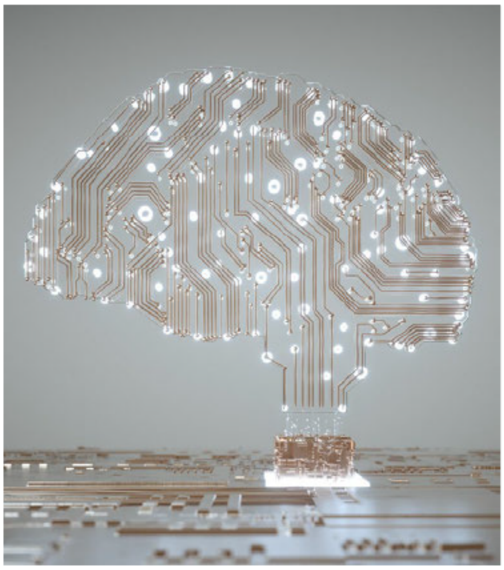
Innovation

Innovation is one of NWG's core values, and they aim to lead in the water sector and beyond. They also want to be an efficient company.

Key priorities

+ Fostering an innovation culture within the business
+ Running innovation festivals
+ Runningdesign sprints and generating new ideas
+ Securing funding for innovation

9 |



Improving the environment

NWG aims to improve the environment in their serviceareas, and limit any negative impact on the environment caused by their operations. They are also working towards net zero and reducing avoidable waste.

Key priorities

+ Having the best rivers and beaches compliant treatment works and good quality beaches
+ Have zero pollution incidents as a result of NWG operations
+ Reducingavoidable waste
+ Working towardscarbon neutrality by 2027

10 |

Supporting communities

NWG wants to be a positive part of the local community, by working with local communities and local businesses within their area.

Key priorities

+ Spending 60p of every £1 with local suppliers
+ Providing causes that NWG cares about with time and resources (i.e. water poverty)

For the NHH phase

Northumbrian and Essex & Suffolk Water: NHH Community Guide

Most questions will be asked of participants individually, where responses will be private and participants won't see the responses of other participants. Participants will also be invited to "forum" questions, where they can answer specific questions and interact with other community members. Forum questions are shown here in RED.

Introduction for Participants

Welcome to Northumbrian Water / Essex & Suffolk Water's research community.

- This is a consultation to help Northumbrian Water / Essex & Suffolk Water set their priorities for non-domestic customers – this includes organisations operating in private, public and non-for-profit sectors
- Northumbrian Water / Essex & Suffolk Water want to know not only what your specific organisation wants but also what they should be thinking about to better serve organisations across your area
- We are mostly interested in your views about Northumbrian Water / Essex & Suffolk Water, (also known as the **wholesaler**), who provide the water [and wastewater NW] services the organisation you're representing uses, rather than the **retailer** that you get your bills from.
- You'll be asked to do around 20 minutes of activity per day, over the course of 4 days, using a combination of text, video and discussion. Most questions will be asked of you directly and you won't see anyone else's responses, but some will be asked on a shared noticeboard where we'll invite you to consider other organisation's responses before answering.
- Throughout, please respond thinking about your organisation's use of water [and wastewater services], rather than the water you use at home.

Day One

Today is about getting to know your organisation and understanding the role that water plays in it.

- Please tell us a bit about **your organisation**, and your role within it, thinking about the following questions:
    + What are your organisation's main activities? TEXT RESPONSE
    + What are the main challenges and opportunities for your organisation at the moment? And what about your sector in general? TEXT RESPONSE
    + What is **your specific role** in the organisation? What decisions do you have to make? TEXT RESPONSE
    + Please upload 2 photo of your organisation's premises (1 x inside and 1 x outside) PICTURE UPLOAD
- Now, please tell us about your organisation and water, thinking about the following questions:
    + What does your organisation use water [and wastewater] services for? TEXT RESPONSE
    + How important is **water & wastewater** to your organisation, relative to the **other things** you think about day to day? TEXT RESPONSE
    + Please describe any issues/ problems with water (or wastewater) in the past. Please describe how this issue was resolved and how satisfied you were (or not) with the service response. TEXT RESPONSE

- In our introduction we talked about the difference between wholesaler and retailer. To reiterate, Northumbrian Water / Essex & Suffolk Water is the **wholesaler**, who provides the water [and wastewater NW] services the organisation you're representing uses and is responsible (among other things) for maintaining the water and wastewater infrastructure. There is a separate organisation, known as the **retailer**, who is responsible (among other things) for meter readings and sending you bills.
  - Is this distinction clear to you? How easy do you find it in practice to distinguish between what the wholesaler does and what the retailer does? TEXT RESPONSE

Day Two

Welcome to day two of the research community. Today we'll be thinking about what Northumbrian Water / Essex & Suffolk Water should prioritise.

- What do you think are the main challenges that Northumbrian Water / Essex & Suffolk Water are facing at the moment? What, in your view, should be their main priorities, going forwards? TEXT RESPONSE
- Please take a look through the following areas of water [and wastewater] services and activities that Northumbrian Water / Essex & Suffolk Water might want to allocate investment against. We'd like you to think about how important each one is – both to your organisation, and to organisations in your geographical area.
  - Asset health - The work Northumbrian Water / Essex & Suffolk Water does to keep its pipes, sewers, water treatment works and sewerage treatment works in good working order.
  - Environment – Protecting and enhancing the environment by reducing our carbon footprint, reducing pollution and making improvements to rivers and sea water.
  - Water – Providing a reliable supply of water which is clean, clear water and tastes good
  - Wastewater (NW only) - Taking wastewater away from customers' properties and transporting it for treatment in a way that has no adverse impacts on the environment.
- So how important are each of the areas to your organisation? Imagine you have 100 "coins" to invest across all the areas. How will you distribute them? *NB when allocating coins you do not have to invest in every area or distribute evenly i.e. you might choose to heavily weight spend in a few areas only, it's really up to you how you would to spread 'investment'.*

  Please write in value of coins from 0-100, thinking of your organisation's needs. You can distribute your coins any way you want
  - Asset health
  - Environment
  - Water
  - Wastewater (NW only)

  Total should add up to 100 coins, no more or less

- Now we're going to look at each of those areas in more detail.

NOTE: each sub-area will be presented showing the relevant image, description of measure and current performance – to give participants sufficient understanding to answer the question meaningfully – a mock-up example is shown below, and these would be redesigned to fit the Community format

Reducing the number of water mains that burst

Description of measure

A water main is an underground pipe used for supplying water to houses, businesses and other properties. Sometimes water mains burst. This could cause the surrounding area to flood, local homes and businesses to be without their water supply for a period of time and depending on where the burst is its repair can result in local delays to traffic, due to roadworks, while the water main is fixed.

Current performance

2,900 mains bursts per year.
Northumbrian Water is better than average compared to the industry.

- FOR EACH AREA: Imagine you have 100 “coins” to invest across these areas. How will you distribute them?

Asset Health

+ Reducing the number of water mains that burst
+ Reducing the number of sewers that collapse
+ Reducing the number of sewer blockages

Total should add up to 100 coins, no more or less

Water

+ Improving the taste, smell and appearance of drinking water
+ Reducing leakage from the water network
+ Repairing visible leaks quicker
+ Reducing water supply interruptions that last over three hours
+ Reducing water supply interruptions that last between one and three hours
+ Reducing the number of properties that experience a water interruption that lasts more than 12 hours
+ Reducing the chance of a fault at a water treatment works
+ Water efficiency

Total should add up to 100 coins, no more or less

Environment

+ Improving the quality of sea water at beaches
+ Reducing the number of pollution incidents caused by Northumbrian Water / Essex & Suffolk Water
+ Reducing the number of major and significant pollution incidents caused by Northumbrian Water / Essex & Suffolk Water
+ Ensuring the treated wastewater that is returned to rivers and seas is sufficiently clean

  - Reducing the number of times Northumbrian Water / Essex & Suffolk Water spill heavily diluted wastewater into rivers and seas during heavy rainfall
  - Managing river water quality
  - Improving rivers, reservoirs and coastlines that the public can access
  - Reducing the Northumbrian Water / Essex & Suffolk Water carbon footprint
  - Using Northumbrian Water / Essex & Suffolk Water sites to improve biodiversity

  Total should add up to 100 coins, no more or less

  Wastewater (NW only)

  - Reducing sewer flooding inside customer properties
  - Reducing sewer flooding on the outside of customer properties
  - Reducing the number of properties that experience sewer flooding more than once

  Total should add up to 100 coins, no more or less

- Would you allocate your "investment coins" any differently if you were thinking about organisations in your geographical area in general, rather than your organisation specifically? If so, in what ways? TEXT RESPONSE

[FORUM QUESTION]

- Tell us about the area(s) you gave **most** coins to – why are these important to you? Please be as specific as possible. TEXT RESPONSE
- And tell us about the areas you gave **least or no** coins to – why are these less important to you? Please be as specific as possible. TEXT RESPONSE
- Please review other organisations' comments: where their priorities are different, why do you think this is? Furthermore, we're very interested in hearing about anything that surprises you from other organisations or changes the way you're thinking. TEXT RESPONSE

Day Three

Welcome to day three of the research community, where we're going to be asking about water metering and saving water.

- Tell us what you know about water metering:
  - Do you have a water meter? If not, how are your bills calculated?
  - If you have a meter:
    - Do you know where it is? TEXT RESPONSE
    - How are meter **readings** taken – do you do it, does someone come to do it, or is it done "automatically"? How often are they taken? Are there any issues around meter reading for you? TEXT RESPONSE
    - If you have a "**smart**" meter, what are the advantages and disadvantages? If you don't have a "smart" meter, what do you think the advantages and disadvantages might be? TEXT RESPONSE

- How much does your organisation think about **saving water**? What, if any, measures do you have in place to save water at your organisation? TEXT RESPONSE
  + Please share photographs of any water saving activities or policies you have at your organisation. PHOTO UPLOAD

[FORUM QUESTIONS]

- What support would you like from external organisations with water saving? Which organisations could help? TEXT RESPONSE
- What more could Northumbrian Water / Essex & Suffolk Water do to help with water saving? TEXT RESPONSE
- What could your retailer do? Please feel free to build on what other organisations are saying in your response. TEXT RESPONSE

Day Four

Welcome to the final day of the research community. Today we will be thinking about affordability issues and we also want to capture some closing thoughts.

- How is your organisation being impacted by the cost of living at the moment? TEXT RESPONSE
- As **affordability** becomes an issue for organisations everywhere, what do you think Northumbrian Water / Essex & Suffolk Water should be doing? TEXT RESPONSE
- To what extent are you having, or anticipating having, trouble paying your water bills? TEXT RESPONSE
- If you were struggling with paying your organisation's water bills, would you expect to receive any support? Who would you want that support to come from?
  + Would you expect your retailer (the company that bills you) to help? In what way? TEXT RESPONSE
  + Would you expect your wholesaler, Northumbrian Water / Essex & Suffolk Water, to help? In what way? TEXT RESPONSE

- [FORUM QUESTION] As **affordability** of bills becomes an issue for organisations everywhere, what do you think Northumbrian Water / Essex & Suffolk Water should be doing for organisations that was struggling to pay their bills? Please feel to build off the responses of other organisations. TEXT RESPONSE

- How satisfied or dissatisfied are you with Northumbrian Water / Essex & Suffolk Water, in terms of the following specific aspects of what they are responsible for? Please give me a score for each one from 10-0, where 10 is very satisfied and 0 is very dissatisfied. NUMERICAL RESPONSE
  + Sufficient water pressure
  + Drinking water tastes and smells good
  + Clean and clear drinking water
  + Reliable supply of water
  + Effective wastewater service [NW only]
  + Quality of river water [NW only]

  - Quality of seawater in bathing areas [NW only]
- Do you think any of the areas you've just rated need improvement? TEXT RESPONSE
- Finally, please film a short selfie video (around 30s) in response to the following question: Please give your name, describe your business and tell us what one thing that Northumbrian Water / Essex & Suffolk Water should consider doing to better serve **organisations in your geographical area**? VIDEO RESPONSE

  NB: Please rehearse what you want to say first and ensure you take your selfie video in landscape (not portrait) mode

Thank you for participating in this research community! Your input is very much appreciated.

Focus groups – Discussion Guide

Introduction (10 mins)
Purpose: to introduce purpose of session and get participant context

- Thank participants for their contributions within the online community
- Explain that this session is an opportunity for Yonder moderators to clarify and deepen their understanding of the what's important for non-household customers, whether a public, private business, not for profit organisation or educational establishment
- Explain that we're speaking to people in each session from different water areas – in particular when we talk about Wastewater this only applies to participants in the Northumbrian Water area (since wastewater services are not provided by Essex and Suffolk Water)
- Participant introduction:
    - Name, position, organisation
    - Your responsibilities in relation to water
    - How important is water to your organisation?
    - What, if any, conversations do you have about water in general (at work)?
    - What if any problems have you had with your water at your workplace (delivery, billing, other) – describe problem, how resolved and how satisfied you were

Setting the scene (15 mins)
Purpose: to gather general expectations of water wholesalers and drivers of perception

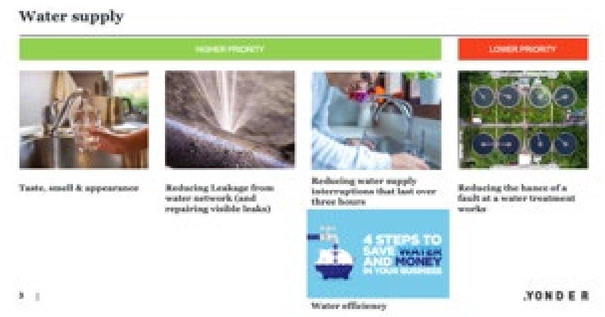
- How aware were you the water services world had divided into wholesale/ retailer?
- What (if anything) is unclear to you/your organisation about the retailer/wholesaler divide?
- [IF TIME ALLOWS] Have you always had the same retailer or have you switched for any reason?
- Thinking about water wholesalers [i.e. not retailers] what are the challenges you imagine them facing?
    - And how might these challenges impact you as a business/ organisation now and in the future?
- What, if anything, have you heard about Northumbrian/ Essex & Suffolk Water?
- What would you most like to ask Northumbrian/ Essex & Suffolk Water? All to pose 2-3 questions and post them in the online chat – moderator to probe in detail.
- And what was the one thing you felt that Northumbrian/ Essex & Suffolk Water should consider doing to better serve
    - Your organisation?
    - Organisations in your geographical area? Moderator to probe in detail where priorities for the area differ slightly with specific organisation priorities

Service priorities (15-30 mins)
Purpose: to further explore preferences expressed within the community

Moderator to share screen with list of services (from community) on a slide below as a visual prompt and remind participants that we asked them to prioritise what was more/ less important to them as an organisation

- What principles did they apply in general – what were the factors across any areas that prompted them to rank an element higher or lower?
- What was rationale for overall ranking?
    - Explain that we're particularly interested in Environment being (slightly ahead of) Asset Health, since lots of importance placed on infrastructure within the community?
- What factors, if any, did they feel were missing from the service elements you were presented with?

Moderator will then explore each general area by introducing slides to remind people of service aspects for specific areas (and where priorities across community are shown)



For each area:

- What's your minimum expectation of your water wholesaler in this general area, and what would excellent look like?
- What should be prioritised within this area now and in the future for the benefit of your organisation/ your area in general?
- What specific questions would you like to ask your water wholesaler about this general area as a result of seeing all the activities
- As an organisation, what would you like to hear about some more from your water wholesaler in this area? How can they communicate this (given that they don't have a direct relationship with business customers)?

If time:

- What are the most and least important service aspects and why?

Metering (10 mins)

Purpose: to establish interest in and any barriers to smart meter installation

- Moderator to clarify which type of water meter organisations have? NOTE: our assumption is that no business has a smart meter
    - If AMR logging check how frequently data is reviewed.

Discuss views on smart meters:

- What, if anything, have they heard about smart water meters – how open would they be in having a smart meter installed? Why, why not?
- What are the perceived benefits (if any) of a smart meter?
- What (if any) concerns might they have? Probe health, inaccurate readings - and elicit source of perceptions
- [In the event that a customer says they have a smart meter] Describe what changes if any they've noticed since they acquired a smart meter – and do they think it has been beneficial?

Choice of smart meter

Before NWG fit a smart meter to a NHH property they currently ask the retailer to choose which model of smart meter they'd like. Who do you think should make this choice in future and why?

- The retailer
- The wholesaler
- The customer?

Probe for multi-site NHHs:

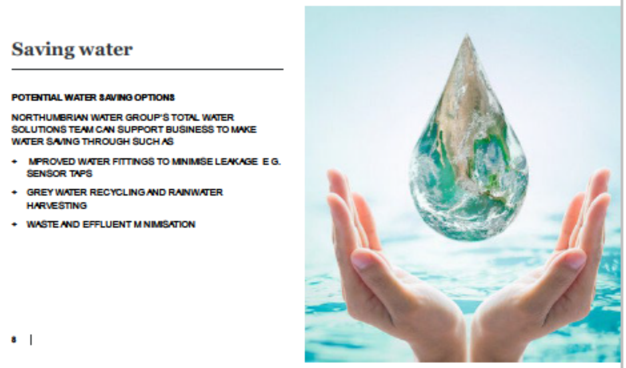
- Would you prefer to have the same model smart meter across all your locations?
- Check if they have any properties outside the Northumbrian/Essex & Suffolk area, or are planning to in future – would this affect their decision about who should choose the model of smart meter?

Water efficiency (10 mins)

Purpose: to gather general expectations of water wholesalers and drivers of perception

- To what extent are you mindful of water consumption with your organisation?
    - Has the recent rise in the cost of materials and energy impacted your water efficiency initiatives?
- What do you do to encourage or promote water saving?
    - What is driving that action? (Probe: saving costs or other operational or environmental reasons)
- If any water saving tools or communications where/ how did you acquire these?
    - Explore whether any water efficiency support has been received by organisation?
    - If received support establish whether this has come from Northumbrian/ Essex and Suffolk Water or retailer?
- What other advice/ support would you appreciate and why?

- Moderator to share screen and introduce stimulus



- To what extent do any of the benefits chime? Why, why not? Do you have a different reason for saving water? What is most important?
- And which solutions are of most interest?
- What other solutions could be added?

Affordability (10 mins; longer for mixed use)

Purpose: to gather state of Northumbrian/ Essex & Suffolk Water nation in and around bill paying and extent to which water fees are becoming an issue

NOTES for moderators (not necessarily to be mentioned to participants:

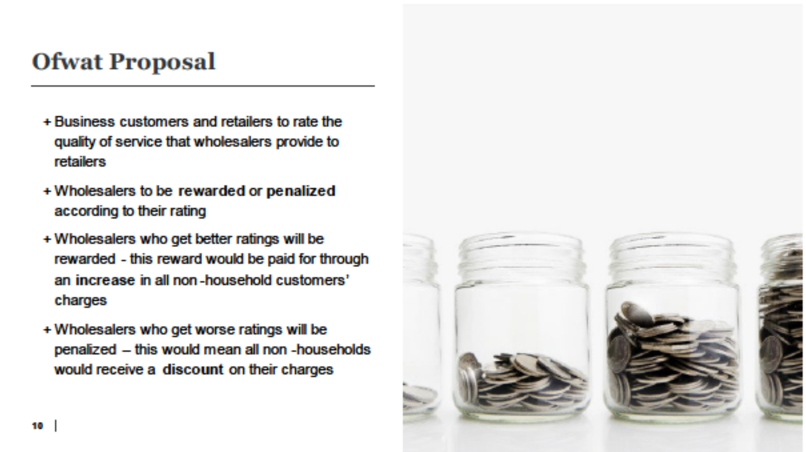
- *Since the market opened NWG no set responsibilities concerning affordability*
- *NWG offers a range of support for HHs and nothing for NHHS*
- *For micro businesses it's possible that household and business finances are not separate pots*
- *Retailers often don't have the margin to offer support*

- How much of an issue and/or concern is paying utility bills at the moment?
- What if any help/ support has your organisation taken advantage of?
- In general, what kind of support would you expect from your water retailer or wholesaler?
    - Should it be the full or partial responsibility of the retailer or wholesaler?
    - What type of support would be most appropriate – e.g. means-tested, capped, based on usage?
- And what kind of evidence would you anticipate having to provide to receive support?

Prompt specific issues that relate to mixed use businesses:

- How does your experience as a domestic customer in the attached property influence your assumptions and understanding about water for the business?
- For the attached property: have you received any support as a domestic customer?
-

Reactions to Ofwat Rewards/Penalties Proposal (5 mins)



- Show and explain stimulus describing Ofwat's proposal – it's a proposal and we want to gauge the reaction of businesses to it
- Is it a good idea overall?
- What aspects of the proposal do you like/not like?
- What more information would you need to evaluate it?

Finale (5 mins)

Purpose: to summarise session [and gather focussed vox pops soundbites that could be used in deliverables]

For each participant

- What is the one thing that Northumbrian/ Essex & Suffolk Water has to get right to build and sustain trust?
- What is the one thing (if anything) you want to hear about more, receive communications about?
- If you were the CEO of Northumbrian and Essex and Suffolk Water what would be your top priority for non-household customers in your area for the next 5 years and beyond (other than capping bills)?

Thank & Close

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