

South Staffs Water Business Plan consultation

Summary of findings



communityresearch

UNDERSTAND ENGAGE CONSULT

Agenda

- Introduction and Approach
- Key Findings:
 - Views of aims and measurement
 - Views of 5 Outcomes (‘aims’)
 - Response to proposed price increase
- Conclusions

Introduction

- SSW published its draft business plan on 9th September 2013 and launched a consultation of key stakeholders.
 - The consultation closed on 4th October 2013.
- The over-arching objective of the consultation was to gain feedback on key elements of SSW's draft business plan, including the five Outcomes or 'aims'.
- The consultation document provided background information about SSW and explained some of the challenges the company faces.
 - It summarised the customer research conducted and what the company is doing in response



Approach

- SSW promoted awareness of the consultation by the following:
 - Published the consultation document on its website.
 - Contacted customers for whom it had email addresses and sent a hard copy to 500 key customer groups and stakeholders.
 - Sent out 300 letters and some posters signposting the consultation, to health centres, schools and children's centres, and issued a press release.
 - Customers calling SSW heard a recorded message directing them to the website to respond to the consultation.
 - Used their pre-recruited online consumer panel to further widen the reach of the consultation.

Response

- In total, 983 completed* consultation responses were received.
 - This represents a relatively high response rate from domestic customers to an open consultation of this type.
- Of the responses, 969 were from domestic customers, and 14 were business customers or other stakeholders.
 - The vast majority of respondents were bill payers.
- In total 525 responses were received from Cambridge Water customers and 446 from South Staffs Water customers, with 12 respondents indicating that they did not know which company was relevant.

* Incomplete responses were not analysed because most of those respondents dropped out of the survey at a very early stage

Interpretation of results

- It should be noted that the consultation was open to any South Staffs or Cambridge Water customers who chose to respond.
- As this was an engagement exercise rather than a research exercise and those who chose to respond are, by their very nature, self-selecting, the results cannot be extrapolated and assumed to represent the views of all customers.

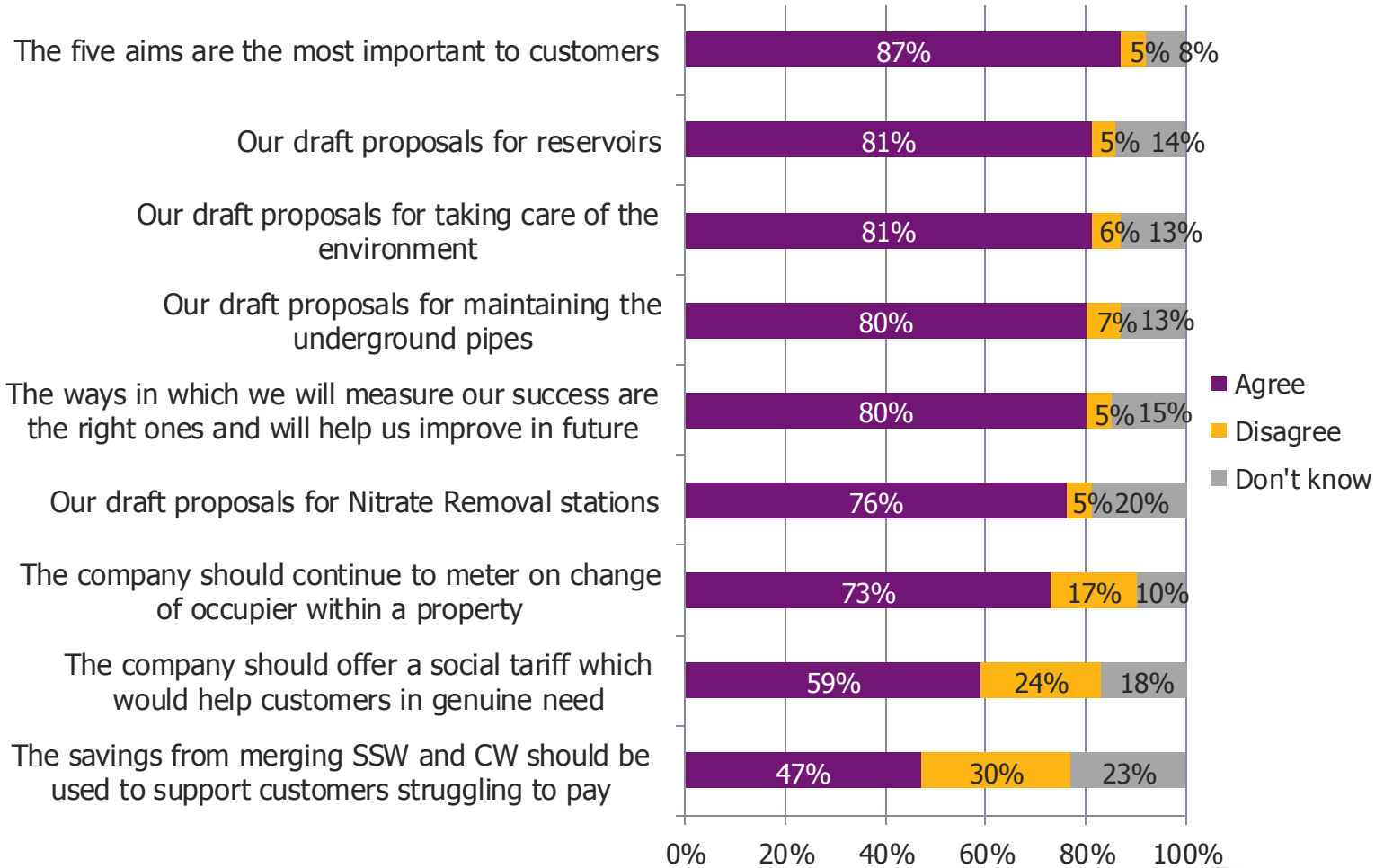
Five Outcomes

Overall

- There was a high level of agreement with the Outcomes ('Main Aims') and how they will be measured.
 - 87% agreed that the five Outcomes are important to customers and 80% agreed with how they will be measured.
- Consultees were then asked about the company's specific proposals for the five Outcomes or 'aims':
 - Respondents gave the most positive response to plans for major spending on reservoirs, underground pipes and the environment.
 - When asked about helping customers who are in need or struggling to pay their water bills, by means of a social tariff or using merger savings, there was less support with 59% and 47% of respondents indicating agreement respectively.

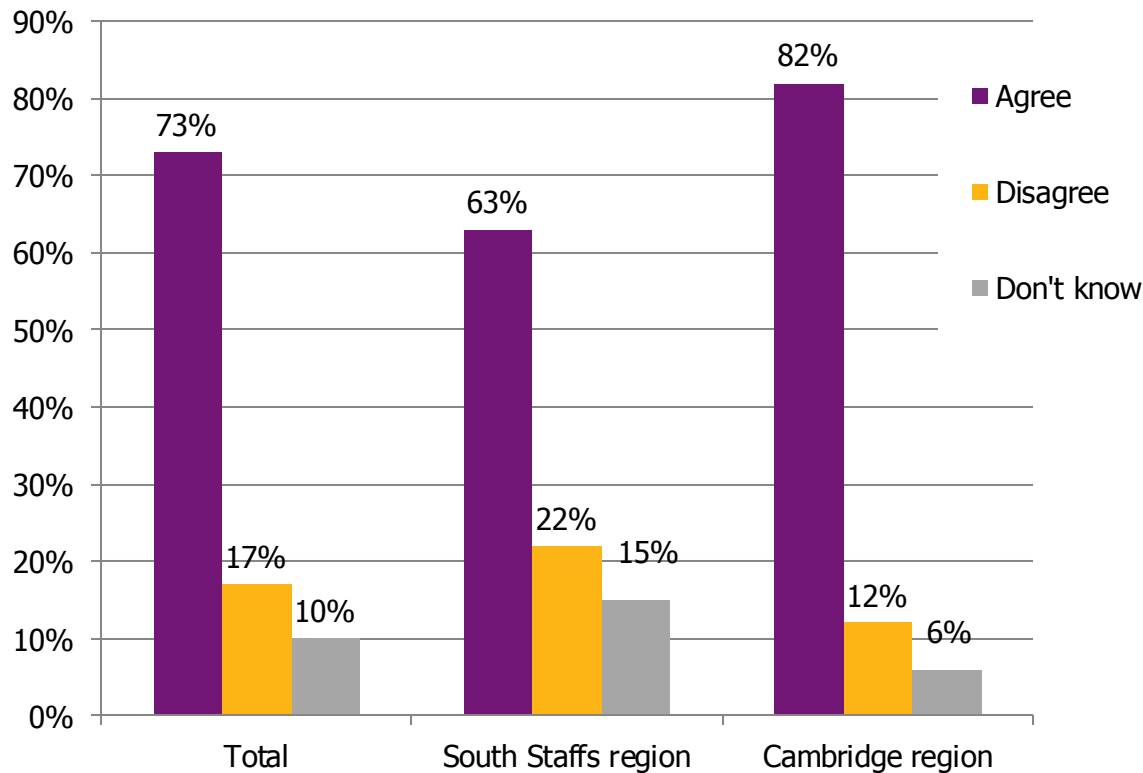


Levels of agreement to key proposals



Base: All respondents (983)

Continue to meter on change of occupier

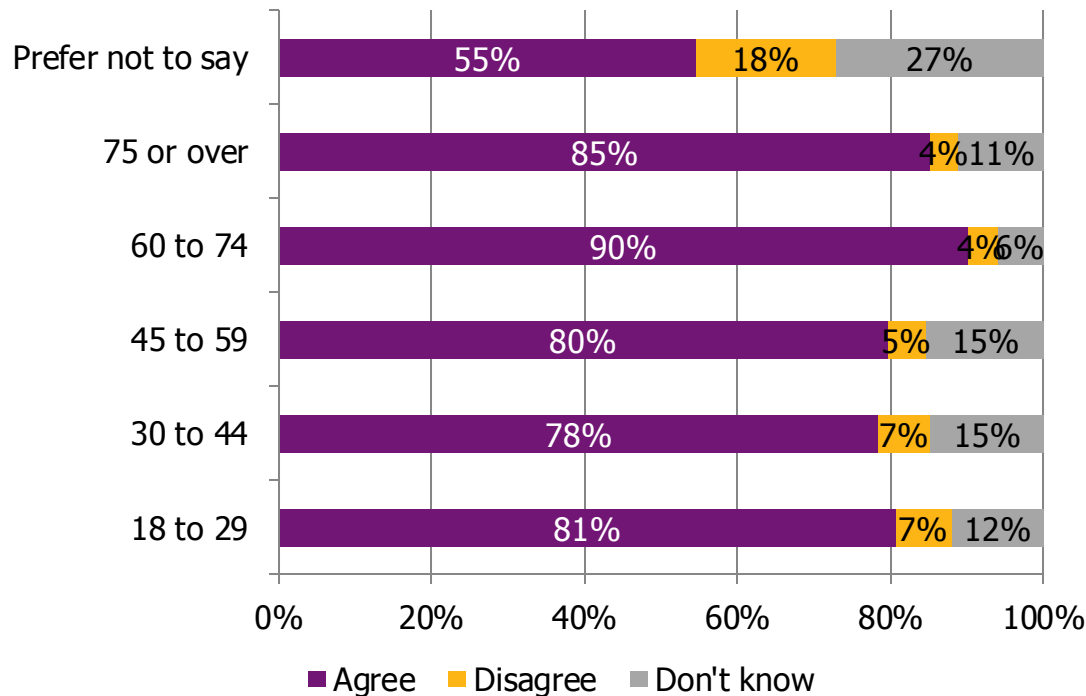


Customers who said they have a meter were substantially more likely to agree (88% compared with 51% of unmetered respondents).

Of those 165 respondents who disagreed, 13% thought that SSW should be doing more metering, 36% less and half thought something else should be done.

Base: all respondents (983), split by region (525 in Cambridge; 446 in South Staffs)

Taking care of the environment

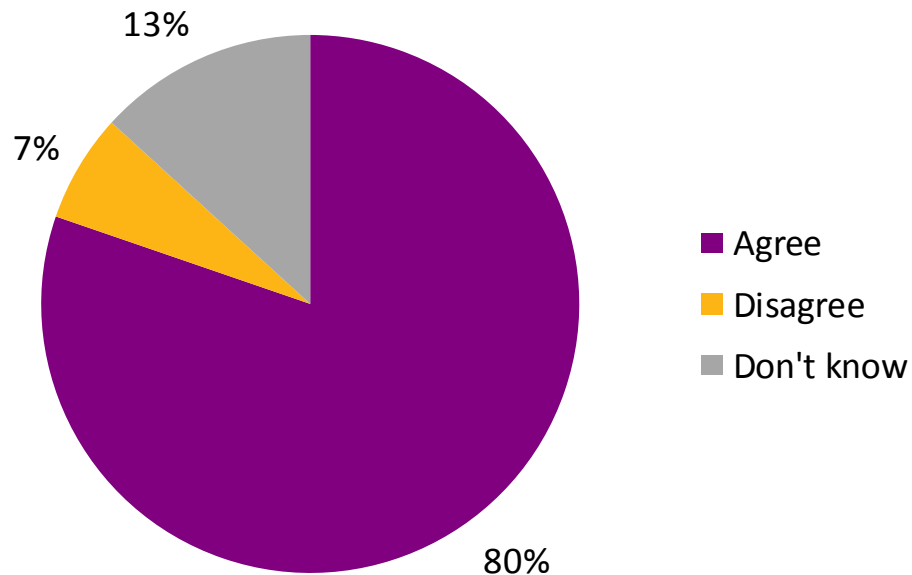


The majority of respondents (81%) agreed with the proposals, with the level slightly higher for the Cambridge region (84% compared with 78% in South Staffs).

Of the 57 respondents (or 6%) who disagreed with the proposal, 42% felt that the company should be doing more and 30% felt that they should be doing something different.

Base: All respondents (983), split by age

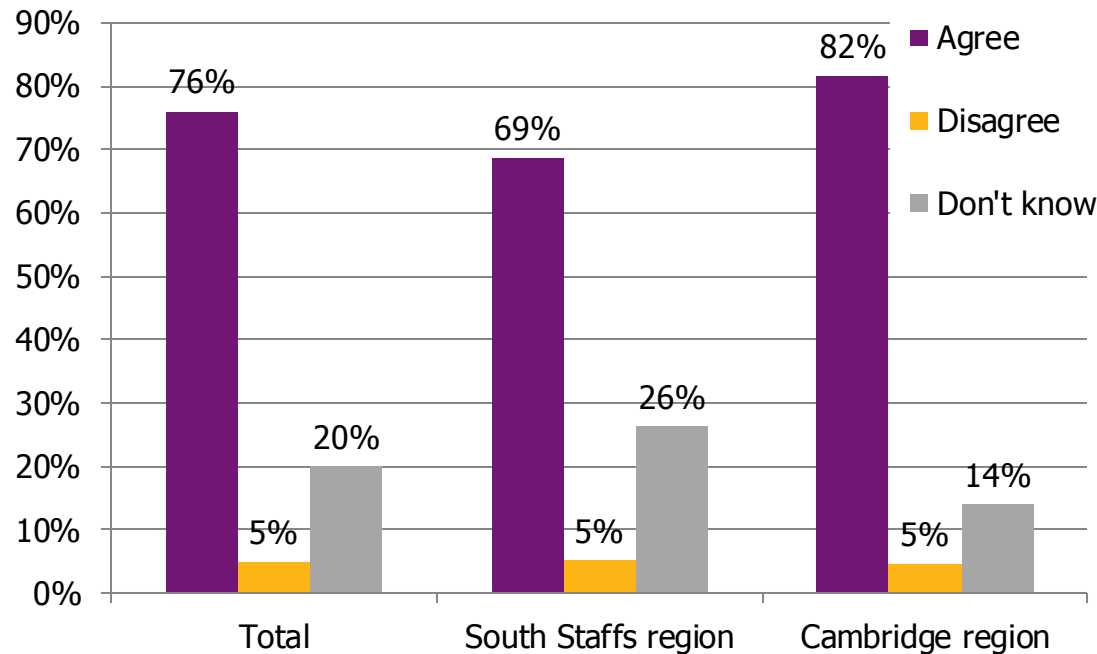
Maintaining underground pipes



Of the 64 (or 7%) of respondents who disagreed, almost three-quarters (74%) thought the company should be doing more.

Base: All respondents (983)

Major spending on up to 4 Nitrate Removal Stations

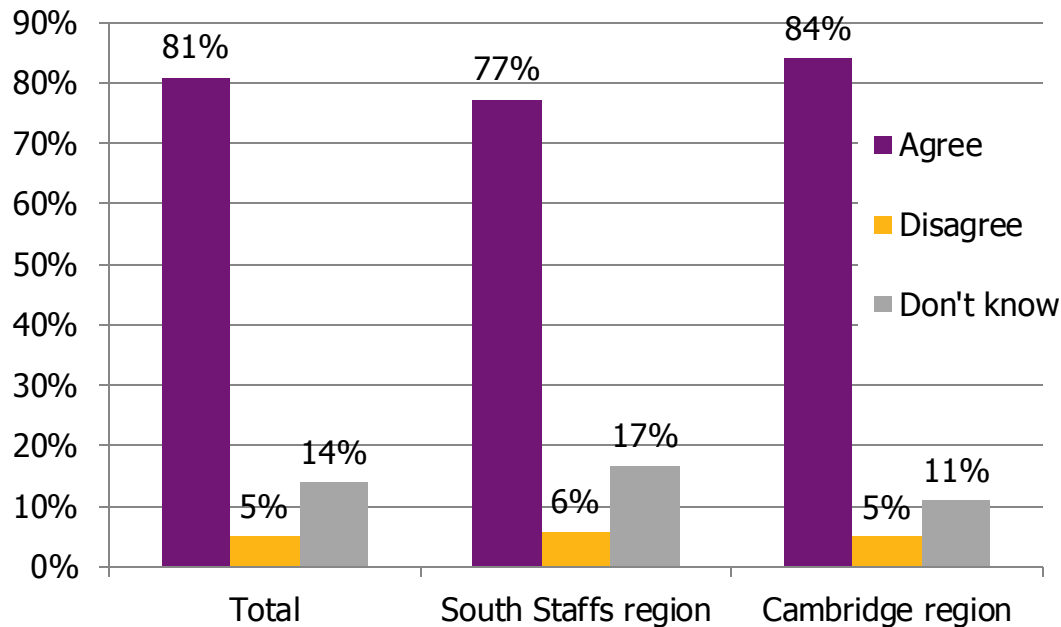


Of those (48 respondents) who disagreed with the proposals for Nitrate Removal stations, just under half (46%) thought the company should be doing something different.

More than a third of those who disagreed with the proposals said that agricultural nitrate use should be reduced; or that farmers, rather than all of SSW's customers, should have to pay for nitrate removal.

Base: all respondents (983), split by region (525 in Cambridge; 446 in South Staffs)

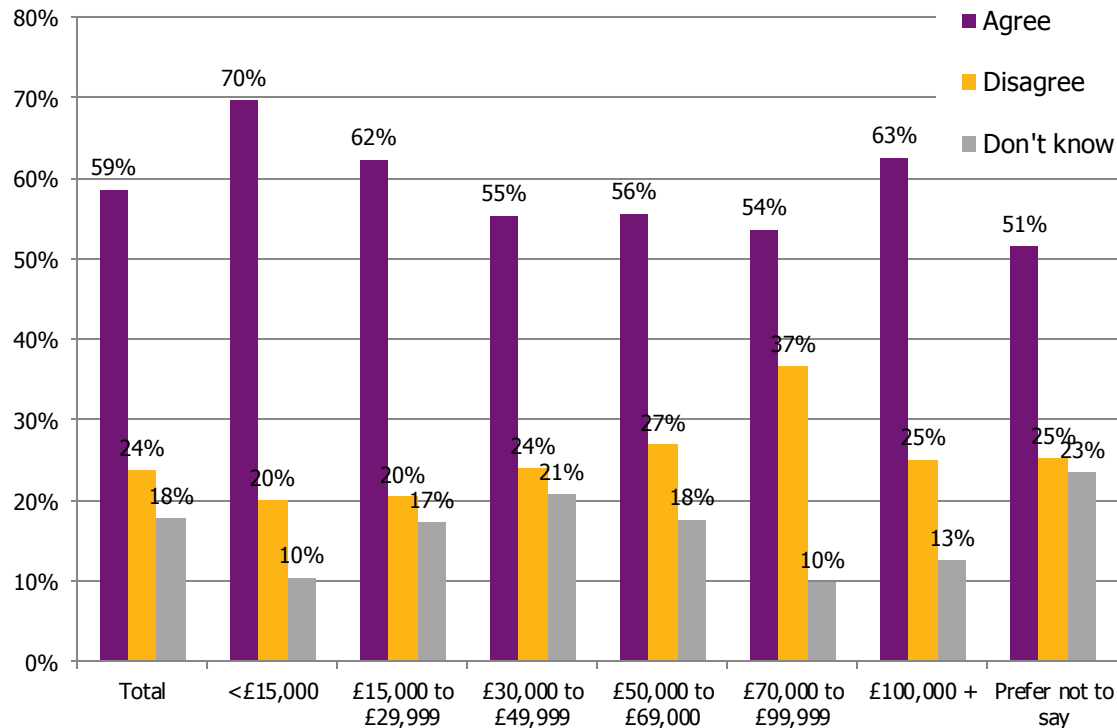
Major spending on up to 4 storage reservoirs



Among the small number (5%) who disagreed with the proposal, there was a fairly even split between those who wanted the company to do 'more', 'less' or 'something different'.

Base: all respondents (983), split by region (525 in Cambridge; 446 in South Staffs)

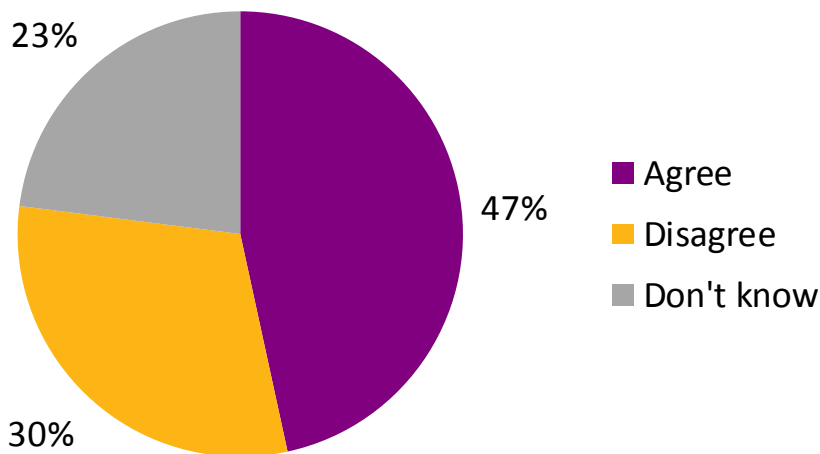
Offer a social tariff to help customers in genuine need



24% disagreed with this - there was a strong feeling among them that it is not the responsibility of the water company or its customers to support those in need. They also mentioned difficulties of assessing genuine need, and that those who require help should receive it via benefits or other systems.

Base: All respondents (983), split by combined household income

Using merger savings to support customers struggling to pay water bills



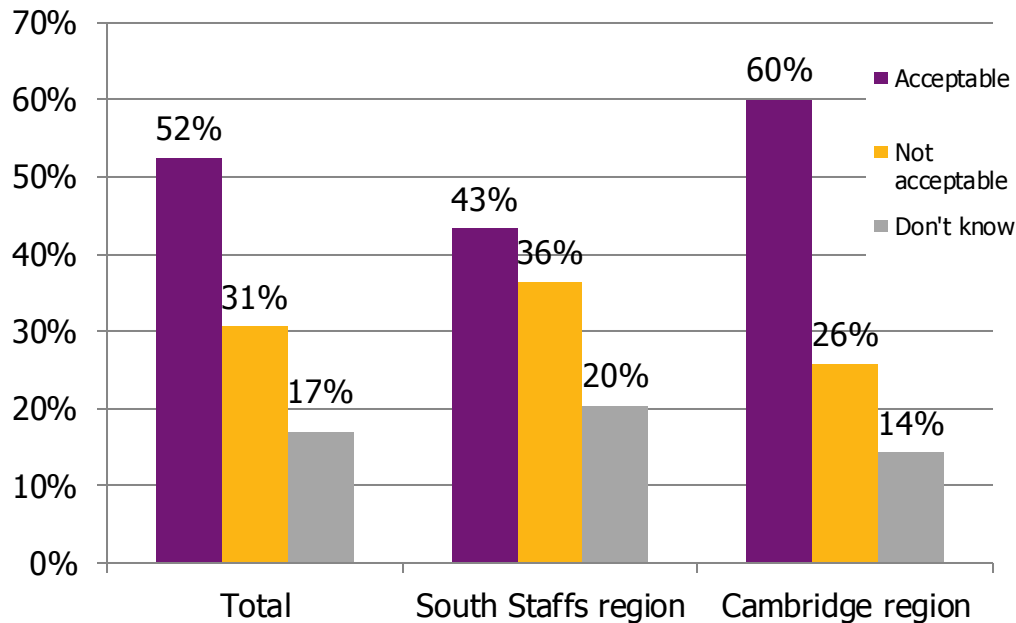
A larger proportion in the under £15,000 combined household income bracket agreed with this proposal (58%) than other groups.

It is possible that some respondents agreed with this statement because they misinterpreted it as reducing costs for all customers (as many are struggling) or they had a different interpretation of 'struggling' than the company intended to imply.

Base: All respondents (983)

Response to price increase

Proposed price increase



Consultees were asked for their views on how acceptable a 2% (£3) water bill increase by 2020 would be (with the question highlighting that, including future inflation, the increase would be a further £22).

Those with combined household incomes of less than £30,000 and those who preferred not to divulge their income, were less likely to find the increase acceptable than other groups.

Base: All respondents (983)

Conclusions (1)

- Overall, there was a high level of response from domestic customers to an open consultation
 - And the volume of open comments indicate the level of engagement
- Consultees were generally positive, for the most part agreeing with the proposals set out in the consultation document, although respondents in the South Staffs region had lower levels of agreement than was true in the Cambridge region, in a number of areas.
- There were some marked differences in response to specific proposals:
 - Respondents gave the most positive response to plans for investing in reservoirs, underground pipes and the environment.
 - When asked about helping customers who are in need or struggling to pay their water bills by means of a social tariff or using merger savings, there was less support (59% and 47% of respondents indicated agreement respectively).

Conclusions (2)

- Across all respondents, 52% said that the proposed price increase would be acceptable. Nearly a third (31%) said that it would be unacceptable, and 17% said they did not know.
- There were differences in the level of acceptability by region and income.
- It should be noted that consultees were asked for their views on how acceptable a 2% (£3) water bill increase by 2020 would be (with the question highlighting that, including future inflation, the increase would be a further £22).