

Appendix B1

South Staffs Water (SSW) Customer Engagement Approach Summary Detail

1. Engagement for WRMP24 compared with WRMP19 and WRMP14

A comparison of the step change seen in our customer and stakeholder engagement from WRMP14 to WRMP24 is detailed below in the table.

WRMP14	WRMP19	WRMP24
Statutory pre-consultation with key stakeholders	Statutory pre-consultation with key stakeholders.	Statutory pre-consultation with key stakeholders.
Ran an all day workshop event with 30 customers to gain feedback on preferences and service level expectations	<p>Ran an all day workshop event with 31 customers (household and small business owners) to gain feedback on preferences and service level expectations.</p> <p>Invited the same customers (30 attended) to another workshop to understand their views of which strategic demand- and supply-side options open to us. This workshop also included the use of an interactive exercise where customers were asked to become an advisory board and build a strategic plan based on demand- and supply-side options to hit a volume and cost target. This allowed us to assess their views and preferences to the options open to us.</p> <p>Gained the views of 305 customers via an online survey to validate and build on the insights from the customer workshops.</p> <p>Eleven big business and industry stakeholders attended a roundtable workshop to gain their views on preferences, service level expectations and to understand their views of which strategic demand- and supply-side options were open to us.</p> <p>This was supported by a triangulation exercise of customers' preferences and service expectations across a range of internal and external</p>	<p>Ran a series of discussions on our H2Online customer (household) community covering a wide range of topics related to WRMP</p> <p>Ran a year-long Water Resources Advisory Panel (WRAP) starting with 22 customers to discuss a wide range of topics relating to the WRMP. This approach used a structured series of deliberative written Forums and a discussion group, including use of interactive activities where customers could trade off demand and supply side options to build their preferred plan to deliver sufficient water to meet future demand. The WRAP approach was specifically designed to complement the other components of the customer research programme listed below and develop a group of engaged and informed participants to input into and challenge the development of our plan. The WRAP covers a wide mix of household bill payers (including vulnerable customers), future customers and medium sized enterprises (SME) business customers. We intend to continue engaging the WRAP through to final plan submission.</p> <p>Commissioned two large-scale representative quantitative surveys. One study involving 494 household (HH) and 76 non-household (NHH) customers focused on drawing out preferences for demand and supply side options to support WRMP24 planning decisions, and the other involving 680 HH and 73 NHH customers to engage them on their preferences relating to metering policy, leakage, resilience/levels of service, and environmental ambitions.</p> <p>A final round of quantitative acceptability and affordability testing of the WRMP24 will be undertaken ahead of final plan submission and we have also engaged with our H2Online Community (during September 2022) to gain a snap-shot view of</p>

	<p>insight data sources to develop a robust priority customer priority index of supply- and demand- side options.</p>	<p>their reaction to the decisions made in the plan and the associated bill impact.</p> <p>Eight stakeholders representing a range of sectors attended an online roundtable workshop to discuss the key challenges and gain their views on preferences relating to supply and demand options, resilience and environmental destination.</p> <p>Alongside this formal engagement, our Water Strategy team has also engaged more regularly on a one-to-one basis with key stakeholders representing a range of sectors to discuss their key concerns and ideas.</p> <p>All the engagement listed is summarised by a thematic review exercise of customers’ and stakeholders’ preferences and service expectations drawn from a range of internal and external insight data sources. The aim is to bring together and contrast and compare insights on key topic areas related to WRMPs.</p> <p>A robust priority customer priority index of supply- and demand- side options will also be developed ahead of the final plan following completion of our Willingness to Pay Price Review 2024 (PR24) customer research study.</p>
<p>No regional club research projects undertaken in partnership with other water companies</p>	<p>No regional club research projects undertaken in partnership with other water companies</p>	<p>Engaged through a collaborative club research project undertaken in parallel with Severn Trent Water and United Utilities to ensure a consistent research methodology approach was used to gain customer preferences to develop weightings for metric inputs for the regional Water Resources West ValueStream tool.</p> <ul style="list-style-type: none"> We also engaged with the other three other Water Resources West water companies to share and triangulate all research insights related to WRMP.
<p>Focused discussion with the independent customer panel</p>	<p>Focused discussions and input from the independent customer panel to challenge our customer engagement approach, how well these priorities and reflected in our plans and the key assumptions in our overall WRMP.</p>	<p>Focused discussions and input from the independent customer panel to challenge our customer engagement approach throughout its duration.</p> <p>We appointed the consultancy Jacobs to undertake a review of the engagement programme findings and how effectively these are reflected in our plan.</p>
<p>Public consultation on the draft WRMP</p>	<p>Public consultation on the draft WRMP included more publicity of the consultation process to try to engage wider feedback.</p>	<p>Public consultation on the draft WRMP will include more publicity of the consultation process to try to engage wider feedback.</p>

2. Developing the engagement programme

A summary of the four themes of our engagement programme is provided in the table below and these formed the foundation of the customer research programme we subsequently developed.

Theme	Recommendation from desk review report	Objectives set for engagement	SSC approach to engagement *
Theme 1: strategic choices	Certain key decisions will drive the content of the plan, and hence require maximum transparency and accessibility of decision making. Customer engagement is required to input into each of these choices, at an early stage in the development of the WRMPs.	<p>We thought strongly that it was important to start the programme by exploring customer preferences in terms of; environmental ambition, levels of service/resilience ambition, water efficiency ambition, and best value planning criteria.</p> <p>This approach would also help ensure a “golden thread” of customer preferences in these strategic areas, which subsequently sets the context for the remainder of the engagement programme and the threads can then be tracked through the programme.</p>	<p>Qualitative: 22 participants took part in a WRAP online Forum facilitated by Community Research, July 2021</p> <p>Qualitative: online stakeholder Forum facilitated by Community Research, October 2021. Attendees from councils, Citizens Advice, Natural England, Waterwise and consumer industry representatives.</p> <p>Quantitative: regionally representative sample of 680 HH and 73 NHH customers gave feedback 4 February to 28 March 2022. Study run by Accent.</p>
Theme 2: decision metrics and weights	In order to select a best value programme of options to ensure supply matches demand, a Multi-Criteria Decision Analysis (MCDA) approach is needed. Such an approach requires the specification of a set of decision metrics / value criteria and a corresponding set of decision weights to govern how influential each will be in determining the choice of schemes to include in the plan.	<p>Given a key focus of the WRMP process is selecting the right balance of supply and demand side options, this theme set out to explore the following:</p> <p>Customers’ attitudes and views regarding the natural environment and SSW’s approach to planning.</p> <p>Customers’ ranking of our water supply options to meet demand over the next 25 years.</p> <p>Customers’ preferences for WRMP options to obtain weights for Water Resources West (WRW) MCDA metrics.</p>	<p>Quantitative: regionally representative sample of 494 HH and 76 NHH customers gave feedback 20 December 2021 (pilot stage) to 4 March 2021. Study run by Accent/PJM Economics</p>

<p>Theme 3: deep dives</p>	<p>In the course of compiling the WRMPs, it may be helpful to undertake deep-dive engagement with customers on particular topics.</p>	<p>Given the development pathway of our WRMP24 and to build on gaps in the feedback from theme 1, we decided to focus this theme of the programme on gaining a clear view of customer preferences for universal metering and smart metering technology and preferences around water transfers</p> <p>The follow up online Forum also allowed us to conduct early engagement with customers on preferences for potential new tariff options</p>	<p>Qualitative: 20 reconvened participants took part in our WRAP online Forum facilitated by Community Research, October 2021.</p> <p>Qualitative: 6 reconvened participants took part in our WRAP online discussion group facilitated by Community Research, February 2022</p> <p>Quantitative: regionally representative sample of 680 HH and 73 NHH customers gave feedback 4 February to 28 March 2022. Study run by Accent.</p>
<p>Theme 4: final choices, acceptability and affordability</p>	<p>Shortly before the draft WRMP is submitted, or possibly as part of the consultation once the plan has been submitted, there will be a need to engage customers to test the acceptability and affordability of either the shortlist or the single preferred plan.</p>	<p>To understand how customers find the policy and investment decisions made in our best value WRMP24 acceptable and the associated bill impact affordable.</p> <p>To understand which customer segments do not support the plan and why to allow appropriate action to be taken to refine our plan.</p>	<p>We have started to engage with customers about our draft best value plan and are committed to engaging again in 2023 with a robust quantitative study to test the acceptability and affordability of our final plan and if any further action is needed ahead of final plan submission.</p>

We have taken great care to design our engagement programme to ensure it is inclusive and that a wide range as possible of customer and stakeholder voices are heard. This included a specific focus to ensure “harder to engage groups” were reached. For example:

- Within the quantitative HH samples great care was taken to ensure a regionally representative population of vulnerable customers were achieved, covering both financial vulnerability and those who are on and/or would qualify for our Priority Services Register (PSR). A mix of online and face-to-face survey methodologies were used to reach a wide range of customers in vulnerable situations, including those who are unable/unwilling to complete online surveys. Our Forum included a mix of household (including future customers) and SME business customers. Quotas were also set for our WRAP Forum to ensure a range of vulnerabilities were represented through the engagement programme, including both customers from lower income households and those with medical conditions.
- Within the NHH sample, we included both SMEs and larger organisations within quantitative studies. Within the qualitative WRAP Forum SME business owners were included across a range of sectors with larger organisations being picked up through stakeholder roundtable.
- For all quantitative studies a mix of sample sources was used to ensure a stratified random sample selection. Customers were selected from online commercial panels (such as Dynata and Savanta) and our own company customer database. Quota targets were set to ensure

regionally representative samples were achieved and the data was weighted to the 2011 Census population. From this point we will be switching to use the latest 2021 Census profiles.

- Across our stakeholder engagement we took care to ensure we invited stakeholders from a wide range of sectors and those with local, regional and national interests, such as: large businesses, environmental groups, NHH retailers, local government organisations and trade organisations.

3. Engagement best practice principals

To ensure consistency when implementing the WRMP24 engagement programme, we have also considered our wider PR24 approach. From our extensive WRMP19/PR19 desk research and current literature review we developed a series of high-level principles to guide our WRMP24 engagement programme. These principles are detailed in the table below and have been applied consistently throughout our engagement programme to ensure we achieve robust, high-quality research outputs which can be used with confidence to support the decisions made in our WRMP24.

Guiding principle	Key decisions made	What this meant in practice
Targeted and meaningful	<p>Conformed to the recommendations outlined in UKWIR's best value planning guidance</p> <p>Adhered to the expectations of regulators and consumer representatives, including Consumer Council for Water (CCW) and our independent customer panel, regarding how customers should be engaged.</p>	<p>Targeted engagement only in areas where customers/stakeholders can have a meaningful input and where their views add the most value to the business planning process.</p> <p>Our qualitative WRAP Forum, independently facilitated by Community Research, enabled customers to consider their preferences from the perspective of a household/business owner and also as a citizen of the community/region they live.</p> <p>All research project briefs sent to our preferred agency supply chain detailed our expectations for best practice research aligning to regulatory requirements and the proposal responses were evaluated accordingly when selecting preferred suppliers to ensure consistency of approach throughout the programme.</p> <p>Jacobs has provided independent assurance that there is a clear line of sight from the customer/stakeholder research to the key policy decisions made in our plans. This provides evidence that our engagement has been well targeted in the areas that matter most to customers and stakeholders.</p>
Robust, but proportional	<p>Adhered to the requirements, principles and timescales set out within the Water Resource Planning Guidelines (WRPG), including supplementary guidance, first and foremost as the basis of ensuring a compliant WRMP.</p> <p>Careful consideration of the likely cost-effectiveness of different types of engagement</p>	<p>We put "quality" over "quantity" of insight by carefully balancing the cost of the engagement (which customers pay for) with the need to ensure customer and stakeholder voices shape our plan in a robust way for all key policy areas. We also elected to use mixed research methodologies (qualitative and quantitative) to ensure we gained robust view of preferences and to avoid relying on a single source of insight for decision. The WRMP24 thematic analysis carried out by Impact provides evidence of all the key questions we set out to gain feed on to shape our plans, and that the relevant insights have been robustly reviewed following the overarching recommendations in the</p>

	<p>methodology, to help maximise the efficient use of the customer engagement budget.</p>	<p>SIA/CCW “Triangulation- A Review Of Its Use At Pr19 And Good Practice, April 2021 report.</p> <p>We have actively collaborated on a quantitative study with two other water companies (Severn Trent Water and United Utilities in the same regional water resource area) to reduce duplication and share the cost of econometric expertise and an academic peer review.</p> <p>We have asked all the agencies from our supply chain working on our local engagement programme to share materials and learnings to ensure these were captured and used to inform subsequent stages. This has helped reduce any duplication of effort when designing the research materials and helped to ensure consistency, where possible.</p>
Inclusive	<p>SSW is a local company serving a wide range of communities who will be directly and indirectly impacted by our policy decisions.</p> <p>A key focus must be on “hard to engage” customer groups – covering both household and non-household and wider local, regional and national stakeholders, including vulnerable customers.</p>	<p>Ensuring the research methodology provides the best experience for the participants situation – accessibility is key, particularly for vulnerable customers. To enable this we have taken care to offer a range of approaches from online written and discussion Forums undertaken at times convenient for participants and carried out face-to-face surveys across a range of locations in our region to reach customers who will not engage through online surveys.</p> <p>Ensuring that all customer segment voices are fairly reflected in the plan – our research “Golden threads” highlight that this aim has been achieved.</p> <p>To ensure we reached as wide a range of customers as possible to help inform our plans, we have drawn on our Business as Usual research programme including our H2Online Community and on-going satisfaction and priorities tracking studies.</p>
Adaptive flexible /	<p>Ensure that the research programme is coherent, both internally and with the broader PR24 and Business as Usual (BAU) engagement programmes, considering the interactions between different aspects and how they can support or challenge one another.</p> <p>Strategic research must enable a 2-way conversation, building on learnings to progress and then re-testing and learning to ensure an iterative approach.</p>	<p>Our WRAP qualitative approach and on-going engagement with our H2Online Community have provided strong evidence of 2-way engagement through the ability to feedback draft plans and insights to enable them to challenge these and further comment. We are committed to maintain this approach up to the final WRMP24 plan submission and will seek to maintain these important on-going engagement channels post PR24.</p> <p>We have committed through our programme of research to undertake an additional wave of acceptability testing in early 2023, where we can robustly test the bill impact of the final WRMP24 in the context of the wider PR24 plan to provide a more robust view of customer acceptability/affordability.</p>
Customer friendly	<p>The CCW/Blue Marble report (Triangulation - a review of its use at PR19 and good practice, April 2021) outlines best practice guidance, including that water companies must ensure that</p>	<p>Our research programme has been carefully designed to focus on asking sensible and practical questions that customers and stakeholders are able to provide considered responses to. This helps ensure we can make balanced decisions in our plan to deliver best</p>

	<p>engagement is based on providing unbiased, contextualised research approaches.</p>	<p>value outcomes, for customers, stakeholders, society and the water environment.</p> <p>We have engaged on-going with our independent panel to ensure the research experience is free of jargon, clear, informative and educational – we have achieved these aims based on the feedback provided by participants from the questions asked at the end of qualitative engagement and during our quantitative studies.</p> <p>We have also regularly shared updates after each stage of our qualitative engagement programme to feedback key insights and next steps in the development of our plan to customers, so that they remain engaged with the process. This has helped maintain a strong retention rate over a year period in our WRAP (60% of participants). This is particularly pleasing given the context that we have been through a global pandemic, European war and substantial increases in the cost of living, which has impacted on everyone to some degree and added an additional layer of challenge to engaging with people about their water services.</p>
<p>Transparent</p>	<p>Clarity about how customer insight has underpinned key policy and investment decisions.</p> <p>Commitment to sharing of all research reports to facilitate innovation and best practice.</p>	<p>We have shared our entire customer research programme approach and materials with our independent customer panel and the challenge log developed to manage all their feedback evidences the positive impact this group of stakeholders representing customers have had on our programme.</p> <p>We are making all our research reports public and all our research materials available on request.</p> <p>We have commissioned an academic peer review of our weights and measures Theme 2 quantitative study to ensure the raw metric weightings are robust and accurately reflect our customers’ preferences.</p> <p>We have also commissioned Jacobs to undertake assurance to assess how effectively we have considered the preferences of our customers and stakeholders in our WRMP24.</p>
<p>Collaborative</p>	<p>Alignment to regional method statements in terms of how the engagement is structured and how the outputs sought are defined.</p> <p>For the benefit of our customers, we aim to leverage resource and cost savings from participating in collaborative research projects.</p>	<p>Where appropriate, we have engaged with a regional research project with other water companies to ensure consistency of outputs.</p> <p>We have made use of wider research studies to ensure all thematic reviews consider all relevant insights, which is evidenced through Impact’s WRMP24 Thematic analysis report, which compares and contrasts the preferences of our stakeholders and customers.</p> <p>We have commissioned five agencies on our approved supplier framework who have worked collaboratively with SSW and each other (where needed) and their partners to deliver our local engagement programme on time and to a high quality standard.</p>
<p>Ethical</p>	<p>Putting the participant’s interest first means:</p>	<p>Ensuring all our supply chain partners uphold our expectations of what ethical research looks like at</p>

	<ul style="list-style-type: none">• Always working to the Market Research Society's best practice research guidelines• Always adhering to the latest General Data Protection Regulation guidelines and other relevant regulations• Clear policies communicated to research participants around use of research data, ability to opt out and permissions for follow ups.	<p>every stage of the engagement programme. This is evidenced by the fact that we have not had a single customer during the WRMP24 programme make an official complaint about our customer engagement in these key areas that has been upheld.</p>
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