



Affinity Water

Phase 3 Bill Profiling: Acceptability Testing

Online survey

Research Report

August 2019

Phase 3 Bill Profiling: Acceptability Testing

Report – 27th August 2019

1.1 Background to report

- Verve was commissioned by Affinity Water to undertake survey research as part of a series of work to support PR19 and the development of Affinity Water's Business Plan for the period 2020-2025 and 2025-2030.
- This report is a summary of the customer research into Acceptability, Affordability and Expectation; of three bill profiles with & without inflation.

1.2 Methodology and Sample

- Independent market research agency Verve conducted an online survey of 1024 Affinity Water customers aged 16+, sourced via an external access panel.
- Fieldwork was conducted between Thursday 8th August and Wednesday 14th August 2019.
- Recruitment quotas targeted a representative sample of adults aged 16 and over, resident in Affinity Water's eight service areas. The achieved sample profile and the effects of weighting are outlined in the Appendices of this report.
 - Quotas were placed and weighting was applied to ensure representation from Affinity Water's eight regional Water Resource Zones (WRZ) and across core customer demographics.
 - Please note the survey was designed to provide a representative sample of customers across all areas served by Affinity Water, rather than a representative sample of customers of the three sewerage providers covering the Affinity Water area (Thames Water, Anglian Water, Southern Water) or within each of Affinity Water's eight Water Resource Zones.
 - The number of customers served by the three sewerage providers and within each WRZ is proportional to the size of the population within each area.
 - The sample profile and weighting was designed to be consistent with other recent customer research into Bill Profiles and ODI Testing.

1.3 Considerations for study design and interpretation of data

- The study was designed in conjunction with Verve and Affinity Water to ensure alignment with accepted best practice and guidelines for conducting social research.
- The required timelines for delivery of results naturally drove some pragmatic decisions as to study design; these are discussed below.

- Verve is an independent market research agency, member of the MRS Society and is ISO27001 certified.
 - Verve adheres to MRS Code of Conduct in research - the professional standards that all research practitioners must maintain.
 - This is a comprehensive set of guidelines which has been established for c. 60 years, last updated in 2014 (currently being updated in wake of GDPR).
 - While provided guidelines are not definitive, they set out accepted best practice across the research lifecycle from inception to design and execution to final use and interpretation.
 - The Code of Conduct is designed to be relevant for all market, social and opinion research.

- The study was designed to take into consideration a number of guideline areas set out by the MRS where surveys are used for consultation (i.e. where seeking the views of the public on an issue of local concern, such as the provision of new services or amenities, or a planning proposal) which we have summarised below:
 - **Independence**
 - The survey was created in an independent and neutral manner.
 - Where information was provided to inform people's responses it was clearly delineated from the rest of the questionnaire, delivered in neutral language and set out as fact rather than opinion.
 - **Clarity**
 - The layout and design of the questionnaire was structured clearly with clear sections and introductory text for new information / areas.
 - The questions themselves were designed to be clear and avoid jargon - where technical terms were included, explanatory text was provided.
 - **Fairness**
 - The survey was designed to provide a representative sample of customers across all areas served by Affinity Water (please see note below on vulnerability).
 - **Respondent rights**
 - The survey explained to participants the purpose of the survey and how the information would be used.
 - The questionnaire was kept to 10 minutes in length; the expected length of the survey was outlined in advance, so participants knew what was expected of them.
 - Survey filters and sample cells were used to help to reduce survey length / repetition for individual participants, whilst also help to provide independent analysis on key areas (i.e. the sample was split into two cells, those who saw inflation bill profiles first and those who saw inflation bill profiles second, therefore allowing for a monadic view of inflation).

- Information collected in the survey was treated anonymously and confidentially.
 - **Presenting results**
 - This report presents the facts and results from the survey in a clear and neutral manner. Opinion and inference has been minimised for the purposes of the report.
- The guidelines for consultation work state that all customer groups who will be affected by the decision are included in the sample. For pragmatic reasons of scheduling and efficiencies, the deliberate decision was made to use an online sample for the survey.
 - An online survey may, by its nature, exclude certain cohorts of customers, specifically a proportion of those classified as living in vulnerable circumstances.
 - The definition of vulnerability is a complex and dynamic one, as it includes permanent, fluctuating and short-term vulnerabilities. This makes inclusion of all groups a challenge for any research.
 - However, the nature of the online approach inevitably means the exclusion of customers who do not have access to internet services.
 - Figures from 2016 indicate that 93% of UK population are currently online, so while the majority of customer profiles are included - the survey was designed to ensure representation from across social grades / income and captured disability at a high level - there are a percentage of customers who will have been omitted by the nature of the methodology.
 - Additional work using alternative methodologies (i.e. face to face interviewing) would be required to include the opinions of these groups.
 - In addition, the survey was also provided in English only and therefore did not specifically cater for groups for whom English is not their first language. However, customers would have been able to translate via their browser to overcome this.
- Finally, we should note that any survey will only ever generate estimates of the ‘truth’; the latter of which would only be available if a complete census of customers was undertaken.
 - As a result, findings are subject to sampling tolerances and statistical confidence intervals, shown in the Appendices.
 - Any regions with a base size of under 100 have not been used for analysing the results of the survey.
 - Survey data has been weighted to match the profile of the population living in Affinity Water areas by age and WRZ, based on 2011 Census data.
 - Where percentages do not sum to 100, this is due to rounding of figures.
- Despite the above limitations which have been called out above, Verve and Affinity Water agreed that an online survey was the most suitable methodology to achieve a representative sample within the set timescale.

1.4 Survey Structure

- The survey was designed to capture customer's views on three different bill profile plans for 2020-2025 and 2025-2030, testing both with and without inflation.
 - First, participants were asked about their bill expectations and preferences, half of the sample (516) were asked about their bill expectations and the other half of the sample (508) were asked about their bill preference. After this, participants were shown an explanation of how Affinity Water will be investing and maintaining their assets and infrastructure between 2020 and 2025 and all participants were asked how they would like this be reflected in their bill, either over a short term or a long-term plan.
 - Next, participants were shown one of the three bill profiles, the DD Bill, the Smooth Bill or the Revised Bill. 351 were shown the DD Bill profile, 332 were shown the Smooth Bill and 341 were shown the Revised Bill.
 - Each bill was shown with and without inflation and to test the research impact of inflation the sample was rotated. The survey presented half of the participants (511) with the bill profile with no inflation first followed by the bill with inflation profile second. The other half of the sample (513) saw the inflation bill profile first followed by the bill profile without inflation second.
 - After this all participants were shown all three bill profiles and asked to select their preference. The survey presented half of the participants (516) with the bill profiles with no inflation, the other half of the participants (508) were presented the bill profiles with inflation.
 - Finally, we ran a Gabor Granger pricing exercise to determine the most acceptable increase bill price point.
 - The sample was split on a 'least fill' basis with each being balanced on age, gender and water zone to ensure consistency of profile within each cell. The achieved sample for each profile is outlined at the end of this document.
 - Each cell saw, in order:
 - Bill expectation/ preference
 - A Clean Water plan & bill context for 2020-2025 over the five-year billing period, with and without inflation. Each bill profile was rated for acceptability, affordability and expectation.
 - A Clean Water plan for 2025-2030 over the five-year billing period, with and without inflation. Each bill profile was rated for acceptability, affordability and expectation.
 - A forced preference either with or without inflation
 - Gabor Granger pricing exercise

2. Executive Summary

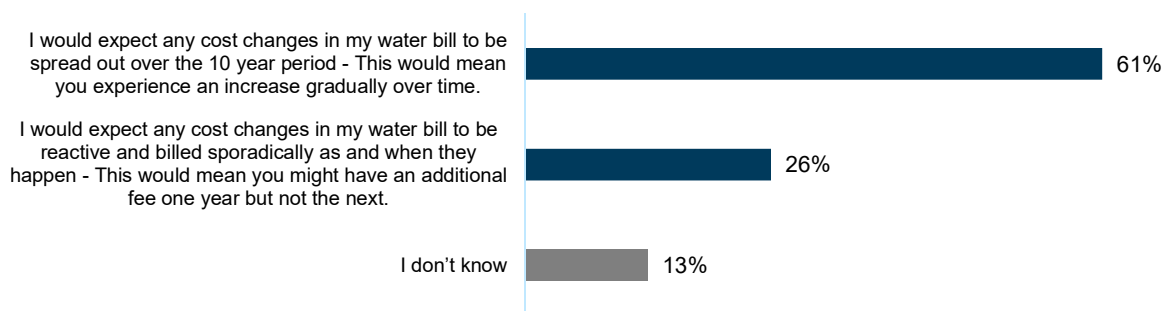
- Findings suggest that participants expect and prefer for any changes to their water bill to be spread out over a 10 year period and to pay gradually over a longer period of time
 - Nearly two thirds (61%) **expected** any cost changes in their water bill to be spread out over the 10 year period and pay the increase gradually over time.
 - Nearly half (49%) would **prefer** to pay cost changes in their water bill over a 10 year period and pay an increase gradually over time.
- When looking at the 2020-2025 Clean Water Bill Profiles, all three bill profiles (DD Bill, Smooth Bill and Revised Bill) perform similarly with no significant differences identified across acceptability, affordability and expectations.
 - 74% rate the DD Bill profile as 'very or fairly acceptable', 71% rated the Smooth Bill profile as 'very or fairly acceptable' and 72% rated the Revised Bill profile as 'very or fairly acceptable'.
 - 70% rate the DD Bill profile as 'very or fairly affordable', 67% rated the Smooth Bill profile as 'very or fairly affordable' and 66% rated the Revised Bill profile as 'very or fairly affordable'.
 - 62% 'strongly or slightly agreed' that the DD Bill profile was in line with their expectations, 60% 'strongly or slightly agreed' that the Smooth Bill profile was in line with their expectations and 57% 'strongly or slightly agreed' that the Revised Bill profile was in line with their expectations.
- However, when looking at the 2025-2030 Clean Water Bill Profiles, the Revised Bill emerges as the most acceptable, affordable and in line with expectations profile.
 - 71% found the Revised Bill to be very or fairly acceptable compared to only 57% for the Smooth Bill and 58% for the DD Bill.
 - 72% found the Revised Bill to be very or fairly affordable compared to only 58% for the Smooth Bill and 63% for the DD Bill.
 - 62% 'strongly or slightly agreed' that the Revised Bill profile was in line with their expectations, significantly higher than the Smooth Bill (49%) and directionally higher than the DD Bill (58%).
- After inflation is added, acceptability and affordability falls significantly across all three bill for both 2020-2025 and 2025-2030. However, this time, in order to observe and minimise any research ordering bias, the survey presented half of the participants (516) with the non-inflation bill profiles first and the inflation bill profiles second. The other half of the sample (508) saw the inflation bill profiles first, followed by the non-inflation bill profiles second. Among the customers who evaluated the inflation bill profiles first, the negative impact of inflation is slightly reduced but not significantly so.
- When forced to choose between all three bill profiles over a 10 year period the Revised Bill was the preferred profile both with and without inflation.

- 37% chose the Revised Bill profile as their preference without inflation, this is significantly higher than the other two bill profiles; Smooth Bill achieved 13% preference while DD Bill achieved only 3%. 47% selected 'don't mind' or 'don't know'.
- 45% chose the Revised Bill profile as their preference with inflation, this is significantly higher than the other two bill profiles; DD Bill achieved only 4% and the Smooth Bill achieved even less at 2%. 49% selected 'don't mind' or 'don't know'.
- When looking at acceptable price point increases the Gabor Granger exercise determined that acceptability is highest at an increase of £2.50 (83% acceptability), but £12.50 may be considered the optimum price point as it provides the maximum yield.

3.1 Response to bill expectations and preference

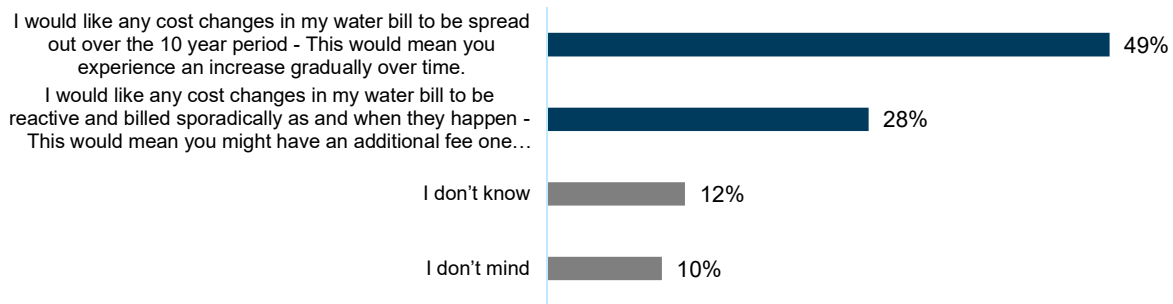
- First, participants were asked about their overall bill expectations and preferences to understand the preference for long term bill plans versus shorter term bill plans. Half the sample (516) were asked about their overall bill expectations and the other half (508) were asked about their overall bill preferences. The sample was split on a 'least fill' basis to ensure consistency of profile within each cell. Section 3.1 reviews the findings of these questions.
- **Respondents expect and prefer for any changes to their water bill to be spread out over a 10 year period and to pay gradually over a longer period of time:**
 - Nearly two thirds (61%) **expected** any cost changes in their water bill to be spread out over the 10 year period and pay the increase gradually over time.
 - Nearly half (49%) would **prefer** to pay cost changes in their water bill over a 10 year period and pay an increase gradually over time.

Figure 1: Bill Expectations



Base: 516/1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

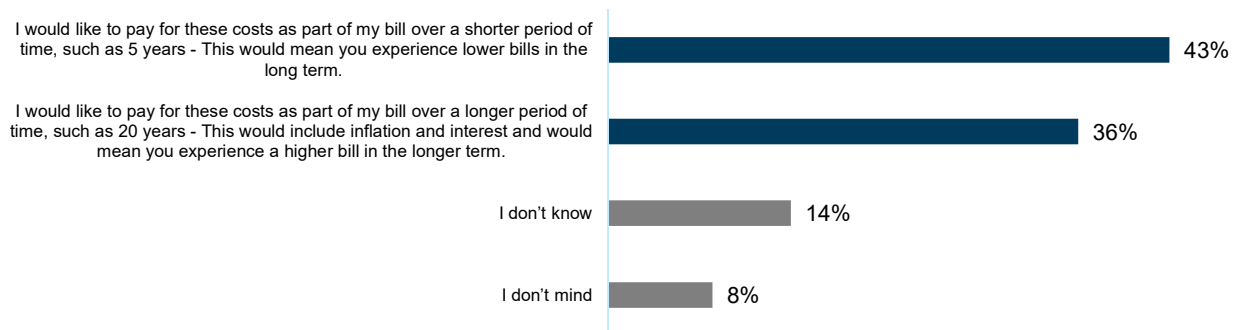
Figure 2: Bill Preference



Base: 508/1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

- Next, respondents were given a short description about Affinity Water’s plans in the next 5 years:
 - *Affinity Water will be spending £690m to invest and maintain their assets and infrastructure between 2020 and 2025.*
 - All were then asked how they would like to see these improvements reflected in their bill.
- **Results were a little more divided with 43% saying they would like to pay over a shorter period of time and 36% saying they would like to pay over a longer period of time.**

Figure 3: Affinity Water Cost Change Preference



Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

3.2 Response to Clean Water plan & bill profiles - 2020-2025

- Participants were given a description of the household water bill business planning process:
 - *Household water bills are set every five years. They are based on an agreement between each water company and Ofwat, the Government regulator.*
 - *In setting future water bills, Affinity Water and Ofwat take customer views on board and also ensure that legally required standards for water services are met e.g. ensuring tap water is safe to drink.*
 - The survey then presented customers with one of three business clean water plan overviews including details of projected annual average household bills over the 2020-2025 five-year billing

period. Customers were then asked whether or not they found the presented plan to be acceptable, whether they thought the plan was affordable and if it fitted in with their bill expectations. The sample was split on a 'least fill' basis to ensure consistency of profile within each cell. Section 3.2 reviews the findings of these questions.

The details of the plan given to participants were as follows:

Figure 4: DD Bill Clean Water Plan 2020-2025 (No Inflation) – Stimulus

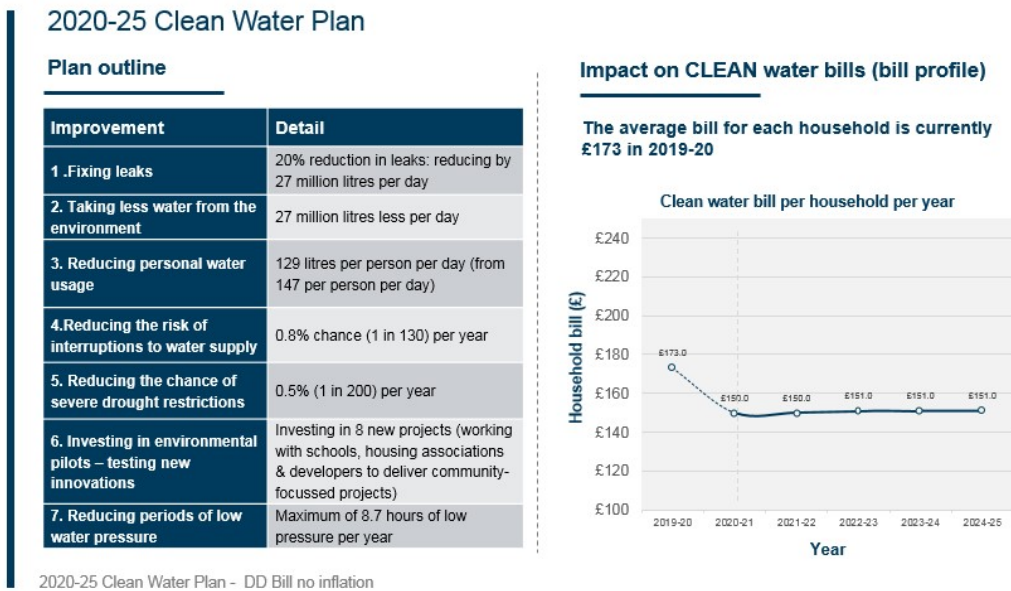


Figure 5: Smooth Bill Clean Water Plan 2020-2025 (No Inflation) – Stimulus

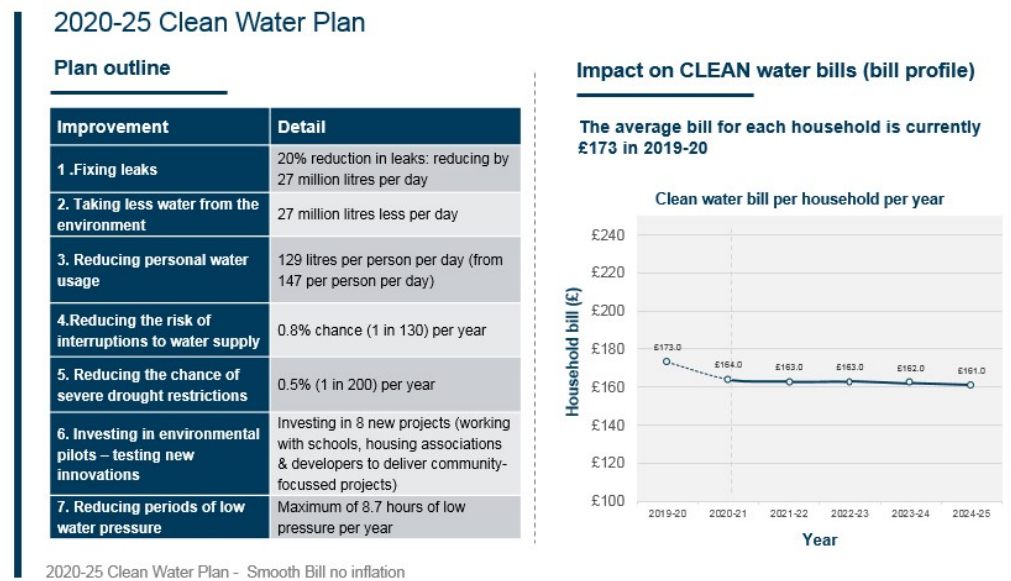
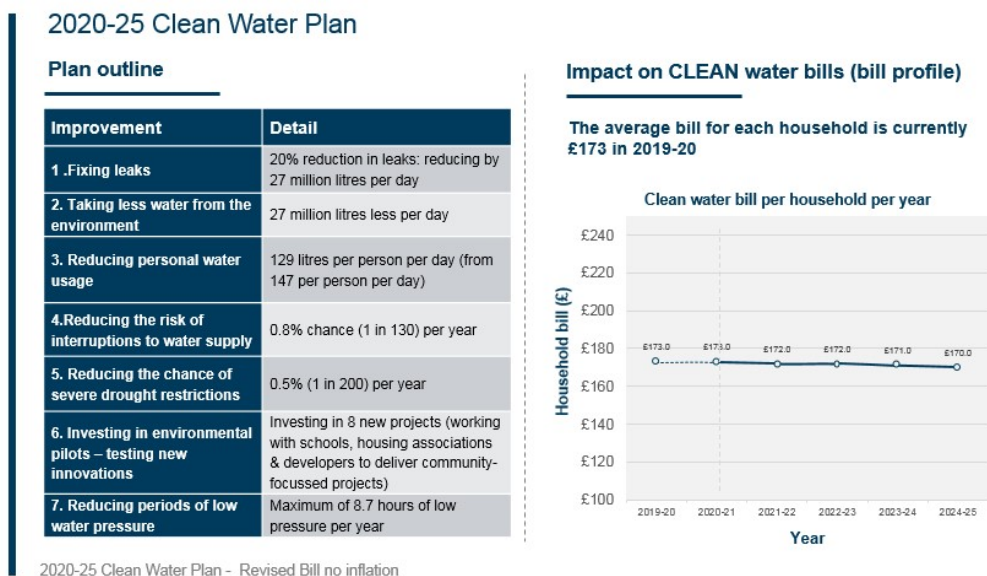
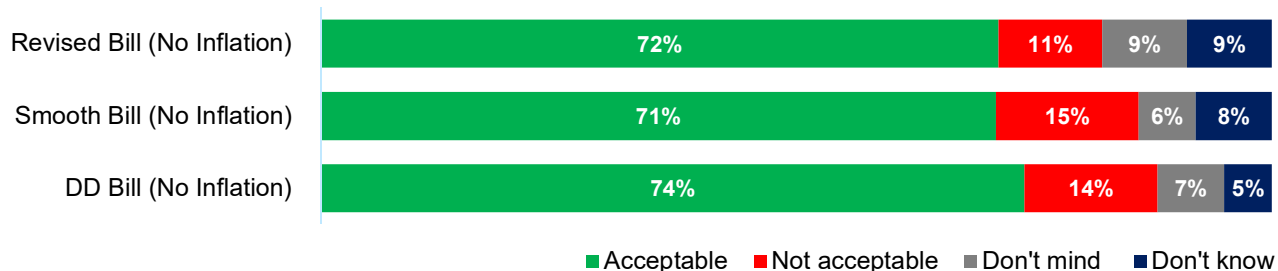


Figure 6: Revised Bill Clean Water Plan 2020-2025 (No Inflation) – Stimulus



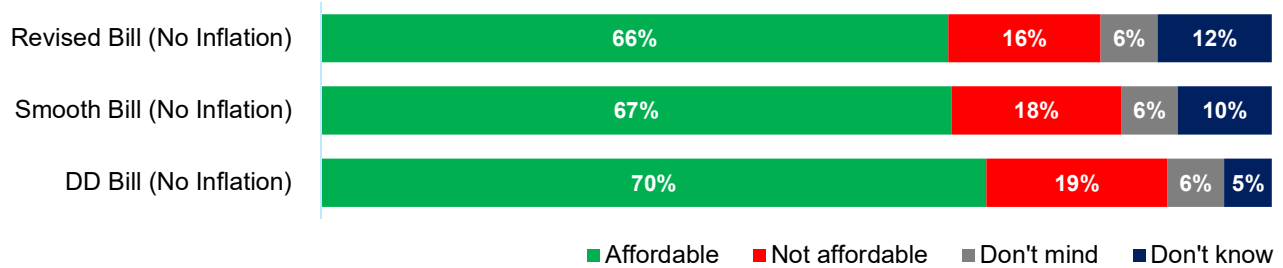
- **Acceptability and affordability scores are consistently strong across all three bill profiles. The DD Bill profile has slightly stronger and affordability scores but not significantly so.**
 - 74% rate the DD Bill profile as ‘very or fairly acceptable’, 71% rated the Smooth Bill profile as ‘very or fairly acceptable’ and 72% rated the Revised Bill profile as ‘very or fairly acceptable’.
 - 70% rate the DD Bill profile as ‘very or fairly affordable’, 67% rated the Smooth Bill profile as ‘very or fairly affordable’ and 66% rated the Revised Bill profile as ‘very or fairly affordable’.
- Reminder: customers were only exposed to one bill profile at this point in the survey; they did not see the other profiles here and could therefore not compare bill profiles directly.

Figure 7: Clean Water Only Plans 2020-2025 (No Inflation) - Acceptability



Base: 341/1024, 332 /1024, 351 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

Figure 8: Clean Water Only Plans 2020-2025 (No Inflation) - Affordability

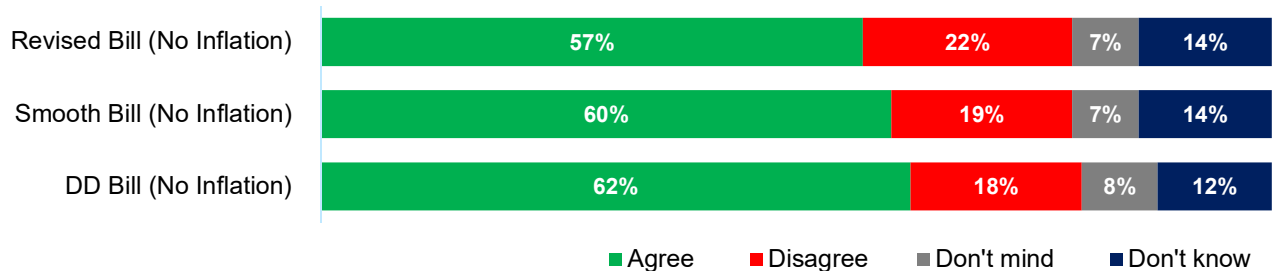


Base: 341/1024, 332 /1024, 351 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

- **Among those that thought the 2020-2025 Clean Water Plans were not acceptable similar reasons were given for all three bill profiles:**
 - Customers felt they already paid a lot for water bills and the cost of improvements should not be passed down to them.
 - Customers felt they needed further education and proof of improvements in order to understand the benefit.

- **Participants were also asked whether the bill profile was in line with their expectations and the DD Bill was the profile most in line with customer expectations.**
 - 62% 'strongly or slightly agreed' that the DD Bill profile was in line with their expectations, compared to 60% for the Smooth Bill and 57% for the Revised Bill.

Figure 9: Clean Water Only Plans 2020-2025 (No Inflation) – In Line with Expectations



Base: 341/1024, 332 /1024, 351 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

- **Acceptability of all three 2020-2025 Clean Water Plans are consistent across most demographics.**

However, there are slight differences across each bill which should be noted.

- Results suggest that the DD Bill is significantly more acceptable to those in the Southern Waste water zone and significantly less acceptable amongst those on benefits.
- Results suggest that the Smooth bill is significantly more acceptable for younger customers aged 18-34 and significantly less acceptable to those aged 55+ or those living in the Brett water zone
- Results suggest that the Revised Bill is significantly more acceptable to those living in the Stort Water zone and significantly less acceptable for those living in the Misbourne water zone or on benefits.

Table 10: Clean Water Only Plan 2020-2025 (No Inflation) - Acceptability

Significant testing key

Data highlighted in **green** = significantly higher than the total at 95% confidence

Data highlighted in **red** = significantly lower than the total at 95% confidence

Clean Water Only Plan 2020-2025 (No Inflation)	DD Bill Acceptable (NET)	Smooth Bill Acceptable (NET)	Revised Bill Acceptable (NET)
Total	74%	71%	72%
Male	73%	68%	69%
Female	74%	74%	75%
Aged 16 – 34	72%	85%	70%
Aged 35 – 54	75%	67%	72%
Aged 55+	74%	62%	73%
Misbourne	73%	81%	53%
Colne	77%	84%	66%
Lee	73%	61%	74%
Pinn	71%	73%	72%
Stort	77%	77%	93%
Wey	70%	63%	77%
Dour	93%	76%	71%
Brett	76%	52%	67%
Thames	72%	72%	73%
Anglian	77%	62%	69%
Southern	93%	76%	71%
ABC1	74%	73%	70%
C2DE	74%	68%	74%
Solo decision maker	77%	75%	71%
Joint decision maker	66%	62%	73%
Metered	74%	67%	72%
Non-metered	75%	76%	74%
Benefits	62%	73%	59%
No benefits	78%	71%	75%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

*Base sizes below 100 should be treated with caution.

- **Similar to acceptability, affordability of the DD Bill is consistent across most demographics, but the Smooth Bill and Revised Bill tends to divide some customers based mainly on their water zone.**
 - Results suggest that the Smooth bill is perceived to be significantly more affordable for those living in the Misbourne and Colne water zones but significantly less affordable to those living in the Dour, Brett, Anglian, and Southern water zones.
 - Results suggest that the Revised bill is perceived to be significantly more affordable for those living in the Stort, Wey and Brett water zones but significantly less affordable to those living in the Misbourne water zone.

Table 11: Clean Water Only Plan 2020-2025 (No Inflation) - Affordability

Significant testing key

Data highlighted in **green** = significantly higher than the total at 95% confidence

Data highlighted in **red** = significantly lower than the total at 95% confidence

Clean Water Only Plan 2020-2025 (No Inflation)	DD Bill Affordable (NET)	Smooth Bill Affordable (NET)	Revised Bill Affordable (NET)
Total	70%	67%	66%
Male	75%	66%	70%
Female	65%	67%	62%
Aged 16 – 34	70%	78%	62%
Aged 35 – 54	69%	64%	65%
Aged 55+	70%	59%	71%
Misbourne	64%	77%	52%
Colne	64%	80%	59%
Lee	61%	56%	58%
Pinn	69%	73%	65%
Stort	74%	72%	87%
Wey	80%	56%	80%
Dour	75%	52%	71%
Brett	80%	46%	81%
Thames	70%	71%	67%
Anglian	73%	47%	60%
Southern	75%	52%	71%
ABC1	72%	68%	71%
C2DE	65%	65%	60%
Solo decision maker	74%	69%	69%
Joint decision maker	59%	62%	60%
Metered	72%	64%	70%
Non-metered	69%	69%	63%
Benefits	65%	61%	49%
No benefits	74%	69%	70%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

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Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

- **Water bill expectations shows a similar pattern to acceptability score across all three 2020-2025 Clean Water Plans and results are consistent across most demographics. However, the most notable difference is that the Smooth bill is significantly more in line with younger customers aged 18-34 expectations and significantly less in line with those aged 55+. This reflects acceptability scores for the Smooth Bill amongst these age groups.**

Table 12: Clean Water Only Plan 2020-2025 (No Inflation) – In line with expectations

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

Clean Water Only Plan 2020-2025 (No Inflation)	DD Bill Agree (NET)	Smooth Bill Agree (NET)	Revised Bill Agree (NET)
Total	62%	60%	57%
Male	66%	60%	54%
Female	58%	60%	60%
Aged 16 – 34	64%	75%	60%
Aged 35 – 54	61%	56%	61%
Aged 55+	61%	50%	51%
Misbourne	66%	70%	36%
Colne	60%	71%	46%
Lee	63%	57%	59%
Pinn	63%	59%	62%
Stort	62%	63%	76%
Wey	55%	50%	58%
Dour	69%	67%	62%
Brett	70%	46%	73%
Thames	59%	61%	54%
Anglian	72%	51%	68%
Southern	69%	67%	62%
ABC1	63%	60%	56%
C2DE	60%	60%	58%
Solo decision maker	69%	63%	58%
Joint decision maker	47%	54%	56%
Metered	67%	58%	58%
Non-metered	54%	63%	58%
Benefits	65%	63%	50%
No benefits	63%	62%	59%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

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Base sizes below 100 should be treated with caution.

3.3 Response to Inflation Clean Water plan & bill profiles - 2020-2025

- Participants were also shown the 2020-2025 clean water plan and bill profiles with inflation for one of the three bill profiles tested.
 - As noted previously, the survey presented half of the participants (516) with the bill profile with inflation second, after seeing the bill profile with no inflation first. The other half of the sample (508) saw the inflation bill profile first, following by the bill profile without inflation second.
 - The sample was split on a 'least fill' basis to ensure consistency of profile within each cell.
- When evaluating the bill profile with inflation participants were given a description of inflation:
 - Inflation is the rate of increase in prices for goods and services. It is expected that there will be a 2% increase to household water bills each year due to inflation. This increase is in line with expectations on inflation rates for goods and services in general, not just for water.*
 - When considering the impact of inflation on bills, please bear in mind that incomes and pensions can also rise in line with inflation, which can offset the increase in the cost of goods and services.*
- Customers were asked whether or not they found the presented plan to be acceptable, affordable and whether they thought the plan fitted with their expectations. Section 3.3 reviews the findings of these questions.

The details of the plan given to participants were as follows:

Figure 13: DD Bill Clean Water Plan 2020-2025 (Inflation) – Stimulus

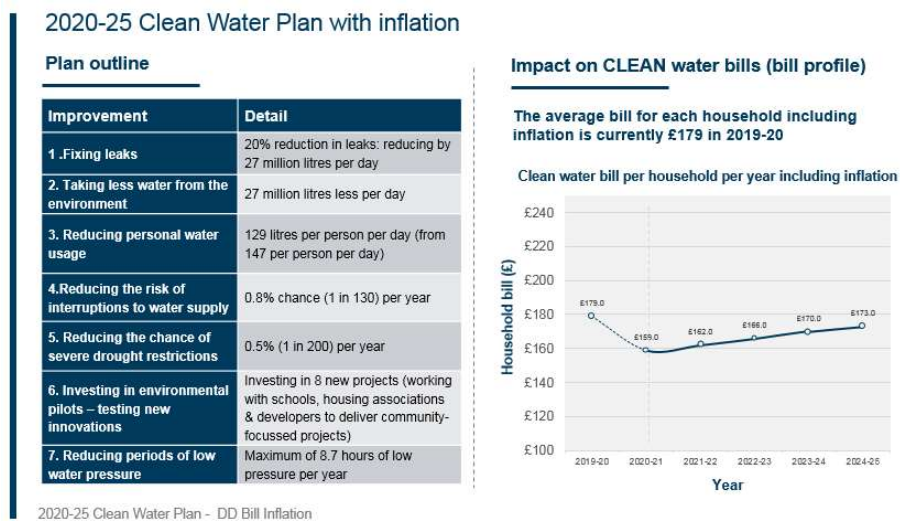


Figure 14: Smooth Bill Clean Water Plan 2020-2025 (Inflation) – Stimulus

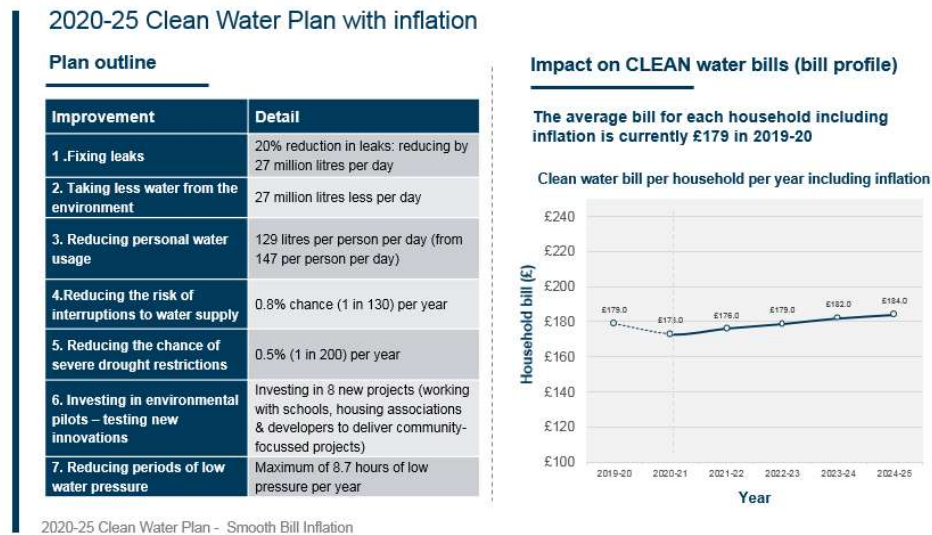
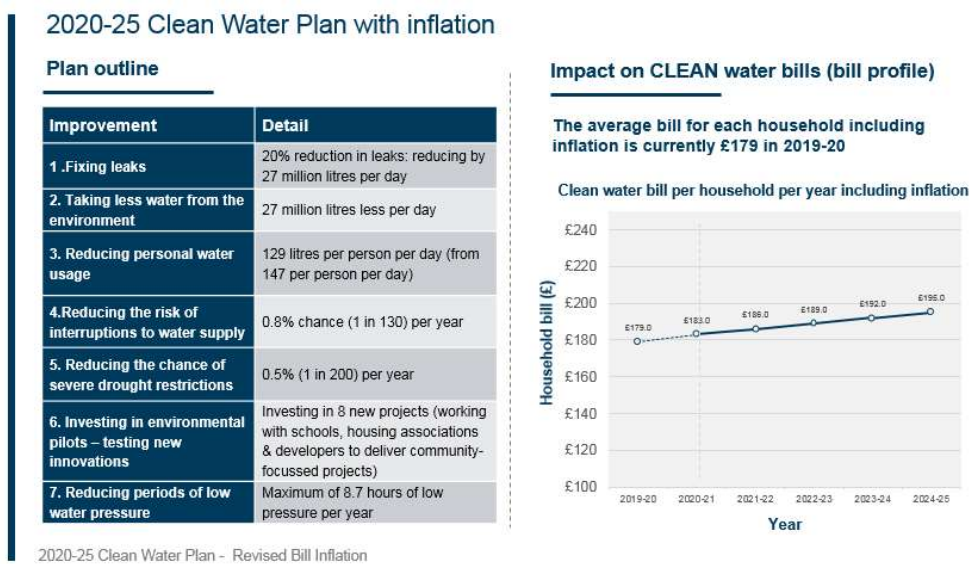


Figure 15: Revised Bill Clean Water Plan 2020-2025 (Inflation) – Stimulus



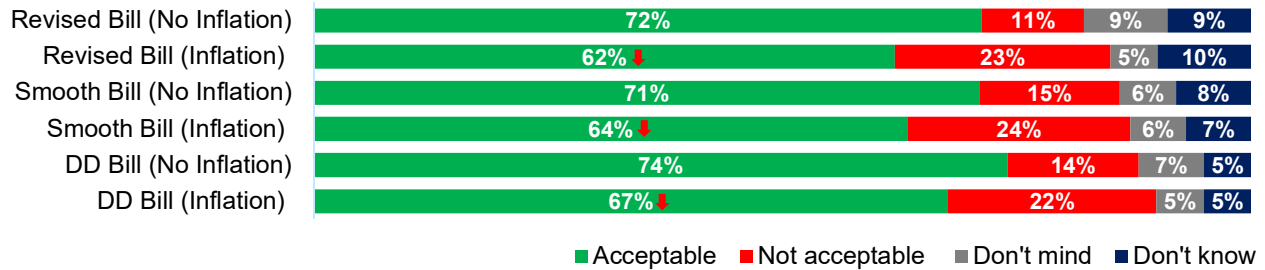
- As seen in previous research with Affinity Water earlier in May 2019, we observe a significant drop in stated acceptability when the bills including inflation were shown, suggesting the term ‘inflation’ continues to have a negative impact.
 - For the DD Bill profile 74% acceptability rating pre-inflation significantly dropped to 67% acceptability when inflation is added (-7%).
 - For the Smooth Bill profile 71% acceptability rating pre-inflation significantly dropped to 64% acceptability when inflation is added (-7%).
 - For the Revised Bill profile 72% acceptability rating pre-inflation significantly dropped to 62% acceptability when inflation is added (-10%).

Figure 16: Clean Water Plans 2020-2025 (No Inflation vs Inflation) – Acceptability

Significant testing key

Data with a green arrow = significantly higher at 95% confidence

Data with a red arrow = significantly lower at 95% confidence



Base: 341/1024, 332 /1024, 351 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

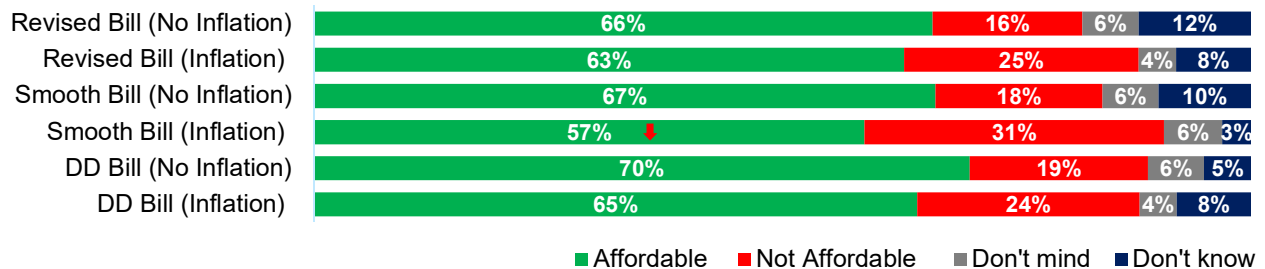
- **However, the impact of inflation does not have such a prominent effect on affordability across all bill profiles.**
 - The drop in affordability scores is not significant for the Revised Bill and the DD Bill but the drop in affordability from 67% to 57% (-10%) for the Smooth Bill profile is significant.

Figure 17: Clean Water Plans 2020-2025 (No Inflation vs Inflation) – Affordability

Significant testing key

Data with a green arrow = significantly higher at 95% confidence

Data with a red arrow = significantly lower at 95% confidence



Base: 341/1024, 332 /1024, 351 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

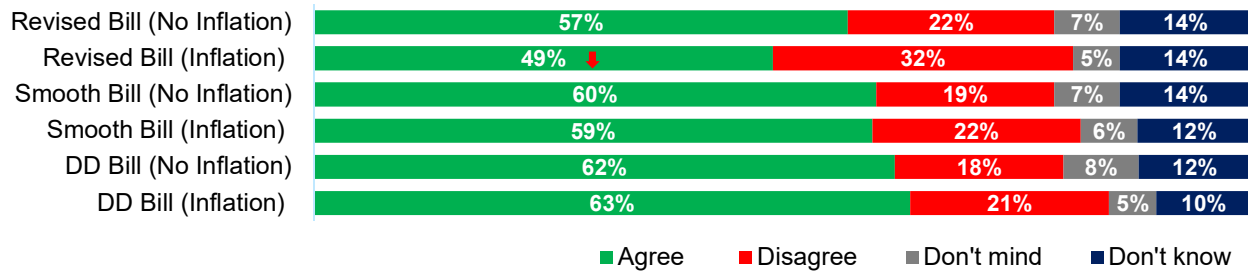
- **When looking at bill expectations, the impact of inflation does not impact the Smooth Bill or the DD Bill but it does affect the Revised Bill profile.**
 - Amongst those assessing the Revised Bill Profile 57% felt it was in line with their expectations pre-inflation but this significantly dropped to 49% when inflation is added (-8%).

Figure 18: Clean Water Plans 2020-2025 (No Inflation vs Inflation) – In line with expectations

Significant testing key

Data with a green arrow = significantly higher at 95% confidence

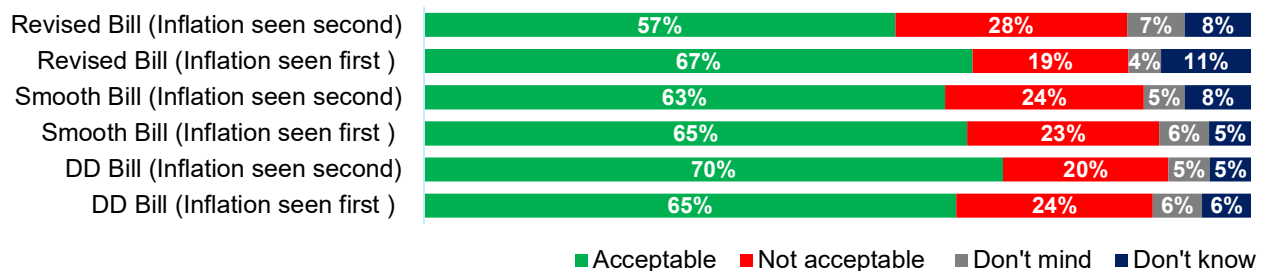
Data with a red arrow = significantly lower at 95% confidence



Base: 341/1024, 332 /1024, 351 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

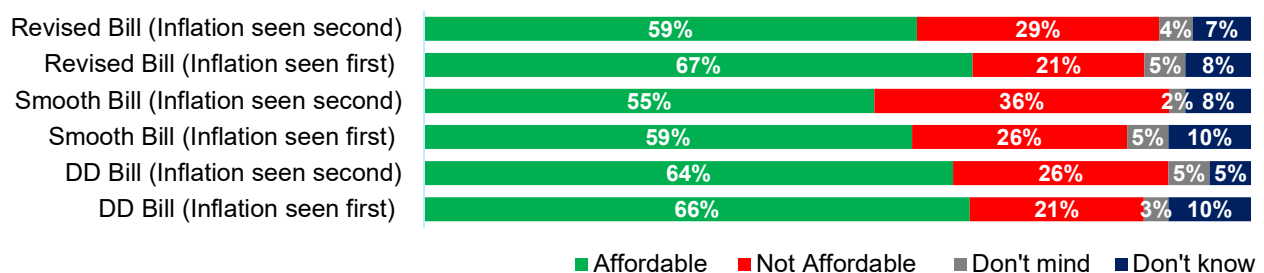
- In previous research we saw that amongst the participants who evaluated the inflation bill profile first the negative impact of inflation is significantly reduced, however, this was not the case for this research. Although there were slight differences between those who saw inflation first or second, across Acceptability, Affordability and Expectations, the differences were not significant.

Figure 19: Clean Water Plans 2020-2025 (Inflation seen second vs Inflation seen first) – Acceptability



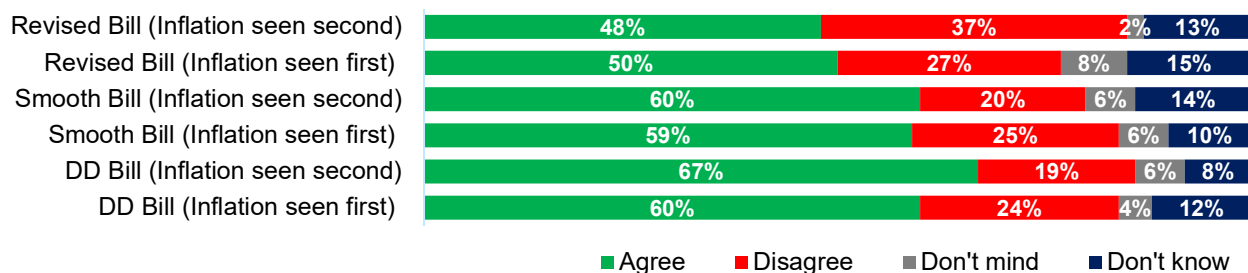
Base: DD Bill; Inflation First 178 / Inflation second 173 / Smooth Bill; Inflation First 163 / Inflation second 169 / Revised Bill; Inflation First 116 / Inflation Second 132 adults aged 16+ from across the Affinity Water customer areas, August 2019

Figure 20: Clean Water Plans 2020-2025 (Inflation seen second vs Inflation seen first) – Affordability



Base: DD Bill; Inflation First 178 / Inflation second 173 / Smooth Bill; Inflation First 163 / Inflation second 169 / Revised Bill; Inflation First 116 Inflation Second 132 adults aged 16+ from across the Affinity Water customer areas, August 2019

Figure 21: Clean Water Plans 2020-2025 (Inflation seen second vs Inflation seen first) – In Line with Expectations



Base: DD Bill; Inflation First 178 / Inflation second 173 / Smooth Bill; Inflation First 163 / Inflation second 169 / Revised Bill; Inflation First 116 Inflation Second 132 adults aged 16+ from across the Affinity Water customer areas, August 2019

- Acceptability of the 2020-2025 Revised Bill with inflation is consistent across all demographics with no significant differences identified. There are slight differences across the DD Bill and Smooth Bill when analysing by Water Zone:**
 - Results suggest that the DD bill with inflation is significantly less acceptable for those living in the Lee water zones but significantly more acceptable for those living in the Dour, Brett and Southern.
 - Results suggest that the Smooth bill with inflation is significantly less acceptable for those living in the Wey and Brett water zones.

Table 22: Clean Water Only Plan 2020-2025 (Inflation) - Acceptability

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

Clean Water Only Plan 2020-2025 (No Inflation)	DD Bill Acceptable (NET)	Smooth Bill Acceptable (NET)	Revised Bill Acceptable (NET)
Total	67%	64%	62%
Male	68%	63%	58%
Female	67%	66%	66%
Aged 16 – 34	70%	72%	63%
Aged 35 – 54	65%	62%	58%
Aged 55+	68%	59%	66%
Misbourne	63%	70%	50%
Colne	63%	68%	58%
Lee	53%	67%	57%
Pinn	67%	68%	68%
Stort	71%	67%	69%
Wey	75%	48%	61%
Dour	85%	68%	75%
Brett	87%	44%	70%
Thames	65%	67%	61%
Anglian	72%	55%	68%
Southern	85%	68%	75%
ABC1	67%	68%	64%
C2DE	67%	59%	60%
Solo decision maker	70%	67%	67%

Joint decision maker	61%	58%	54%
Metered	71%	65%	64%
Non-metered	65%	64%	63%
Benefits	60%	56%	55%
No benefits	69%	66%	65%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

- **When looking at affordability, joint decision makers and those on benefits tend to find the bill profiles with inflation significantly less affordable. All three bills with inflation have slight affordability variation by Water Zone which should be highlighted:**
 - Results suggest that the DD bill with inflation is significantly more affordable for those living in the Stort water zones but significantly less affordable to those living in the Colne water zones.
 - Results suggest that the Smooth bill with inflation is significantly less affordable to those living in the Brett water zone.
 - Results suggest that the Revised bill is significantly more affordable for those living in the Wey water zones but significantly less affordable to those living in the Misbourne water zone.

Table 23: Clean Water Only Plan 2020-2025 (Inflation) - Affordability

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

Clean Water Only Plan 2020-2025 (No Inflation)	DD Bill Affordable (NET)	Smooth Bill Affordable (NET)	Revised Bill Affordable (NET)
Total	65%	57%	63%
Male	72%	62%	63%
Female	58%	52%	63%
Aged 16 – 34	66%	60%	64%
Aged 35 – 54	65%	56%	55%
Aged 55+	64%	54%	70%
Misbourne	68%	63%	43%
Colne	54%	64%	56%
Lee	63%	51%	58%
Pinn	60%	62%	70%
Stort	80%	53%	67%
Wey	72%	50%	74%
Dour	59%	58%	66%
Brett	75%	39%	68%
Thames	64%	59%	63%
Anglian	70%	44%	64%
Southern	59%	58%	66%
ABC1	68%	62%	62%
C2DE	59%	49%	65%

Solo decision maker	70%	61%	65%
Joint decision maker	53%	47%	59%
Metered	66%	61%	63%
Non-metered	65%	55%	67%
Benefits	57%	52%	52%
No benefits	68%	62%	66%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

- Water bill expectations shows a similar pattern to acceptability score across all three 2020-2025 Clean Water Plans with inflation, results are consistent across most demographics with some variation by water zone. However, the most notable difference is that the Smooth bill is significantly less in line with the expectations of those aged 55+, this was also the case for their non-inflation expectations.

Table 24: Clean Water Only Plan 2020-2025 (Inflation) – In line with expectations

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

Clean Water Only Plan 2020-2025 (No Inflation)	DD Bill Agree (NET)	Smooth Bill Agree (NET)	Revised Bill Agree (NET)
Total	63%	59%	49%
Male	64%	59%	46%
Female	63%	59%	51%
Aged 16 – 34	72%	74%	40%
Aged 35 – 54	58%	57%	52%
Aged 55+	60%	48%	53%
Misbourne	64%	50%	35%
Colne	53%	77%	38%
Lee	66%	52%	46%
Pinn	62%	65%	52%
Stort	71%	68%	60%
Wey	57%	45%	50%
Dour	78%	57%	74%
Brett	72%	45%	65%
Thames	60%	61%	47%
Anglian	73%	49%	52%
Southern	78%	57%	74%
ABC1	64%	65%	51%
C2DE	63%	52%	46%
Solo decision maker	68%	61%	55%
Joint decision maker	53%	55%	38%
Metered	65%	58%	48%
Non-metered	61%	60%	52%
Benefits	62%	54%	42%

No benefits |

63% |

59% |

51% |

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

3.4 Response to Clean Water plan & bill profiles - 2025-2030

- Next, the survey then presented customers with a second business clean water plan, this time including details of projected annual average household bills over the 2025-30 five year billing period. The survey presented participants with either the DD Bill, Smooth Bill or Revised Bill depending on the profile they had evaluated for 2020-2025. Customers were then asked whether or not they found the presented plan to be acceptable, affordable and whether it fitted in with their bill expectations. Section 3.4 reviews the findings of these questions.

The details of the plan given to participants were as follows:

Figure 25: DD Bill Clean Water Plan 2025-2030 (No Inflation) – Stimulus

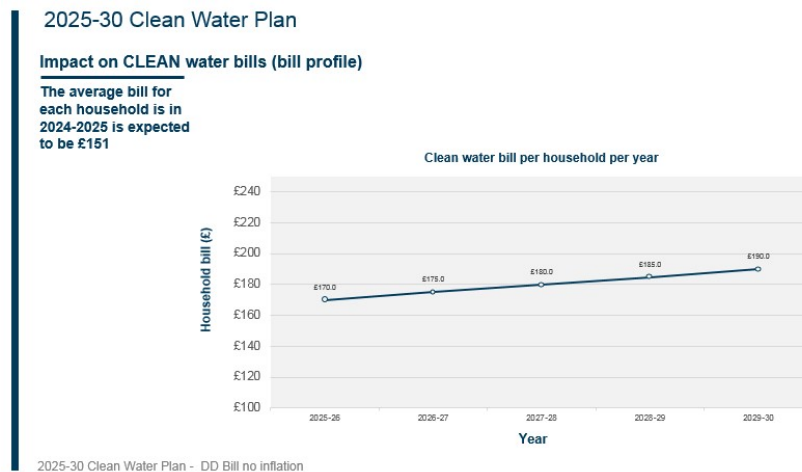


Figure 26: Smooth Bill Clean Water Plan 2025-2030 (No Inflation) – Stimulus

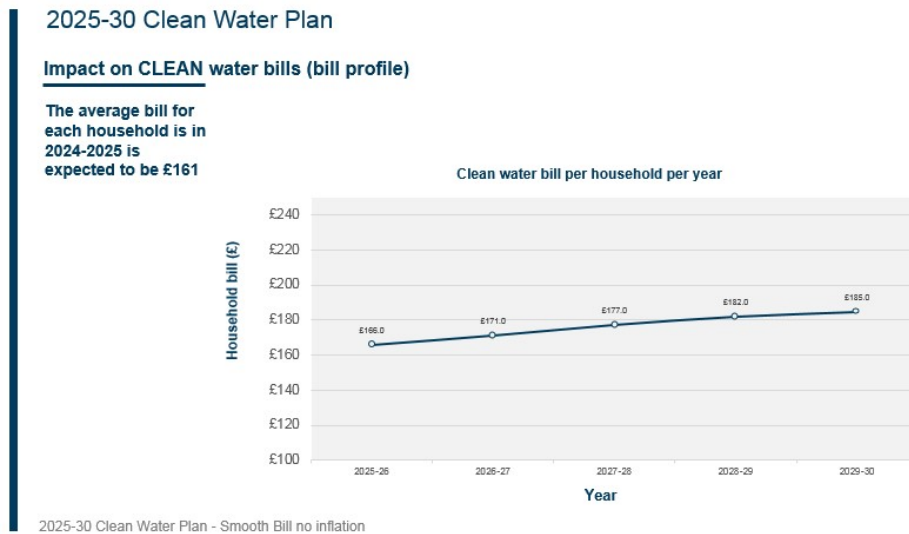
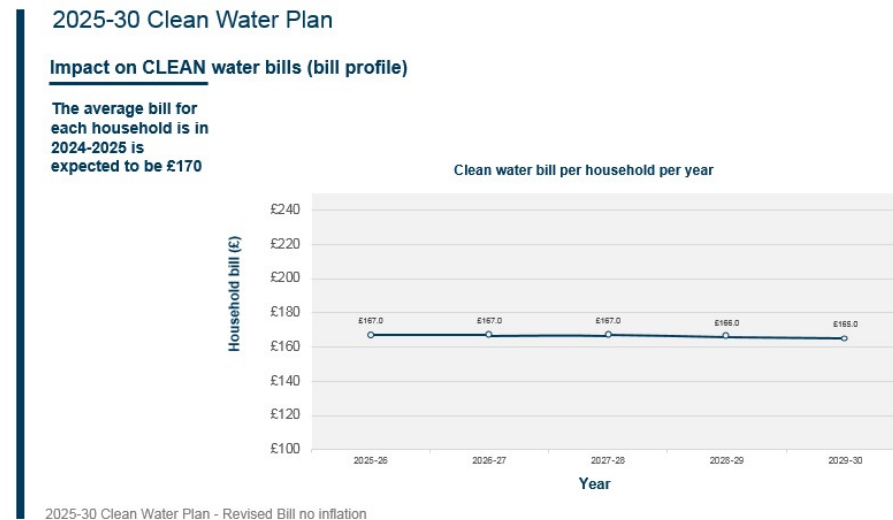
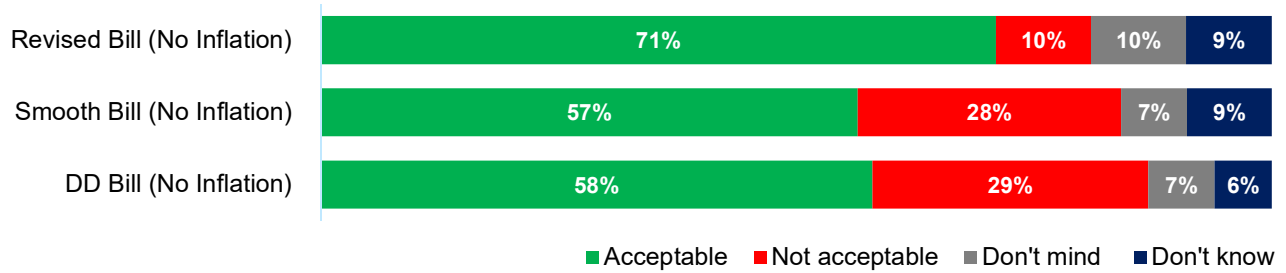


Figure 27: Revised Bill Clean Water Plan 2025-2030 (No Inflation) – Stimulus



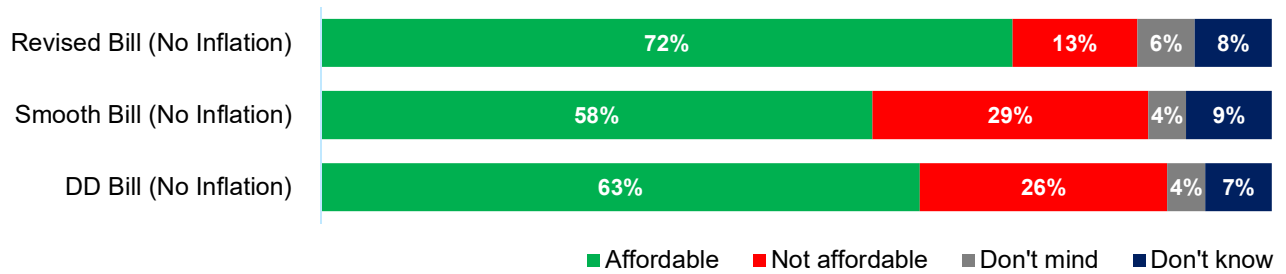
- There is a clear acceptability preference when looking at the three 2025-2030 bill profiles, participants find the Revised Bill profile significantly more acceptable and affordable than both the DD Bill and the Smooth Bill.
 - 71% found the Revised Bill to be ‘very or fairly acceptable’ compared to only 57% for the Smooth Bill and 58% for the DD Bill.
 - 72% found the Revised Bill to be ‘very or fairly affordable’ compared to only 58% for the Smooth Bill and 63% for the DD Bill.
- Reminder: customers were only exposed to one bill profile at this point in the survey; they did not see the other profiles here and could therefore not compare bill profiles directly.

Figure 28: Clean Water Only Plans 2025-2030 (No Inflation) - Acceptability



Base: 351 /1024, 332 /1024, 341 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

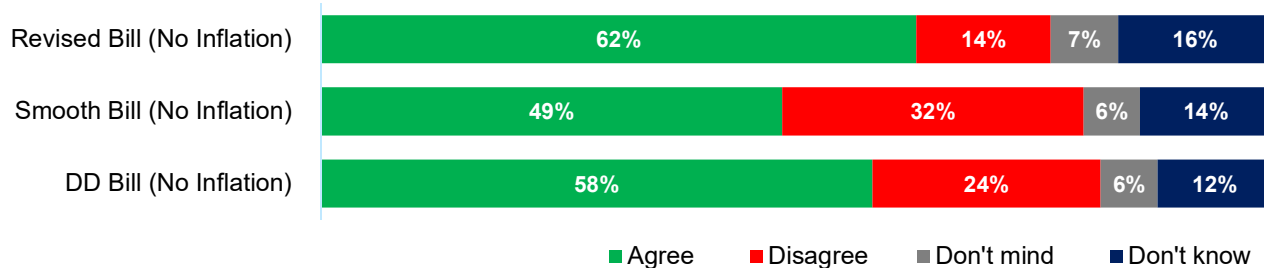
Figure 29: Clean Water Only Plans 2025-2030 (No Inflation) - Affordability



Base: 351 /1024, 332 /1024, 341 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

- **Among those that thought the 2025-2030 Clean Water Plans were not acceptable similar reasons were given for all three bill profiles and were in line with comments from the 2020-2025 plans:**
 - Customers felt they already paid a lot for water bills and the cost of improvements should not be passed down to them.
 - Customers felt they needed further education and proof of improvements in order to understand the benefit.
- **Participants were also asked whether the bill profile was in line with their expectations and again we see that the 2025-2030 Revised Bill was the profile most in line with customer expectations.**
 - 62% 'strongly agreed or slightly agreed' that the Revised Bill profile was in line with their expectations, significantly higher than the Smooth Bill (49%) and directionally higher than the DD Bill (58%).

Figure 30: Clean Water Only Plans 2025-2030 (No Inflation) – In Line with Expectations



Base: 351 /1024, 332 /1024, 341 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

- The Revised Bill was the most acceptable profile across nearly all demographics, but those living in the Misbourne water zone felt the DD Water Bill was most acceptable.

Table 40: Clean Water Only Plan 2025-2030 (No Inflation) - Acceptability

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

	Clean Water Only Plan 2025-2030 (No Inflation)	DD Bill Acceptable (NET)	Smooth Bill Acceptable (NET)	Revised Bill Acceptable (NET)
Total		58%	57%	71%
Male		57%	59%	73%
Female		59%	56%	70%
Aged 16 – 34		59%	58%	70%
Aged 35 – 54		58%	61%	72%
Aged 55+		57%	52%	71%
Misbourne		70%	57%	50%
Colne		58%	70%	74%
Lee		59%	61%	79%
Pinn		49%	55%	71%
Stort		50%	61%	74%
Wey		61%	47%	73%
Dour		76%	57%	75%
Brett		62%	38%	72%
Thames		57%	57%	70%
Anglian		53%	53%	75%
Southern		76%	57%	75%
ABC1		57%	62%	71%
C2DE		59%	51%	72%
Solo decision maker		59%	61%	68%
Joint decision maker		55%	48%	78%
Metered		55%	58%	75%
Non-metered		61%	56%	69%
Benefits		53%	47%	55%
No benefits		59%	59%	75%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

The 2025-2030 Revised Bill was the most affordable profile across nearly all demographics, but those aged 16-34 felt the Smooth Water Bill was most affordable.

Table 41: Clean Water Only Plan 2025-2030 (No Inflation) - Affordability

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

Clean Water Only Plan 2025-2030 (No Inflation)	DD Bill Affordable (NET)	Smooth Bill Affordable (NET)	Revised Bill Affordable (NET)
Total	63%	58%	72%
Male	65%	54%	73%
Female	62%	61%	72%
Aged 16 – 34	70%	72%	68%
Aged 35 – 54	60%	54%	72%
Aged 55+	60%	48%	77%
Misbourne	62%	57%	54%
Colne	62%	70%	70%
Lee	71%	58%	75%
Pinn	53%	62%	76%
Stort	63%	63%	77%
Wey	74%	45%	74%
Dour	55%	35%	73%
Brett	62%	35%	75%
Thames	64%	60%	73%
Anglian	61%	49%	75%
Southern	55%	35%	73%
ABC1	67%	60%	74%
C2DE	56%	54%	70%
Solo decision maker	64%	58%	75%
Joint decision maker	62%	57%	69%
Metered	67%	59%	71%
Non-metered	58%	56%	77%
Benefits	59%	53%	65%
No benefits	64%	57%	76%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

- **Although the 2025-2030 Revised Bill was seen as the most acceptable and affordable by the majority of demographics, many did not feel it was the bill most in line with their expectations**
 - Participants aged 16-34, those living in the Misbourne, Colne, Wey, Dour and Brett Water Zones, those living in the Southern waste Water Zone and those on benefits feel the DD Water Bill is most in line with their expectations.

Table 42: Clean Water Only Plan 2025-2030 (No Inflation) – In line with expectations

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

Clean Water Only Plan 2025-2030 (No Inflation)	DD Bill Agree (NET)	Smooth Bill Agree (NET)	Revised Bill Agree (NET)
Total	58%	49%	62%
Male	61%	51%	64%
Female	56%	46%	60%
Aged 16 – 34	67%	56%	64%
Aged 35 – 54	54%	51%	65%
Aged 55+	53%	40%	58%
Misbourne	70%	40%	55%
Colne	58%	55%	42%
Lee	59%	42%	66%
Pinn	50%	60%	69%
Stort	41%	49%	68%
Wey	66%	40%	62%
Dour	73%	50%	66%
Brett	62%	29%	59%
Thames	59%	52%	62%
Anglian	53%	34%	62%
Southern	73%	50%	66%
ABC1	60%	56%	63%
C2DE	54%	39%	61%
Solo decision maker	59%	52%	65%
Joint decision maker	57%	41%	57%
Metered	59%	50%	61%
Non-metered	59%	51%	64%
Benefits	61%	54%	49%
No benefits	58%	50%	66%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

3.5 Response to Inflation Clean Water plan & bill profiles - 2025-2030

- As with the 2020-2025 plan, the bills including inflation were presented to participants.
 - As noted previously, the survey presented half of the participants (516) with the bill profile with inflation second, after seeing the bill profile with no inflation first. The other half of the sample (508) saw the inflation bill profile first, following by the bill profile without inflation second.
 - The sample was split on a 'least fill' basis to ensure consistency of profile within each cell.
 - Customers were asked whether or not they found the presented plan to be acceptable, affordable and whether they thought the plan fitted with their expectations. Section 3.5 reviews the findings of these questions.

The details of the plan given to participants were as follows:

Figure 43: DD Bill Clean Water Plan 2025-2030 (Inflation) – Stimulus

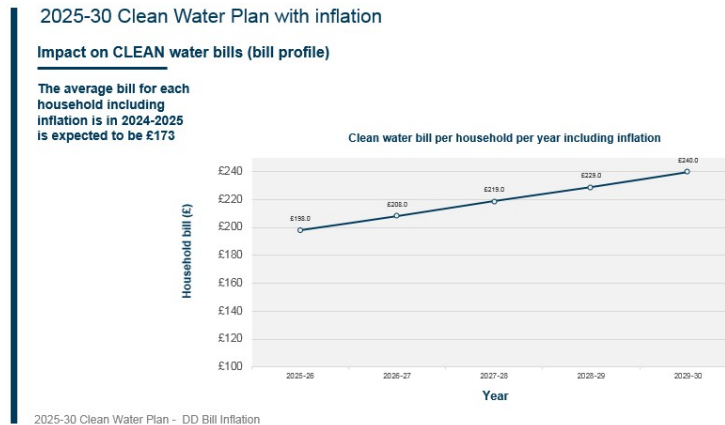


Figure 44: Smooth Bill Clean Water Plan 2025-2030 (Inflation) – Stimulus

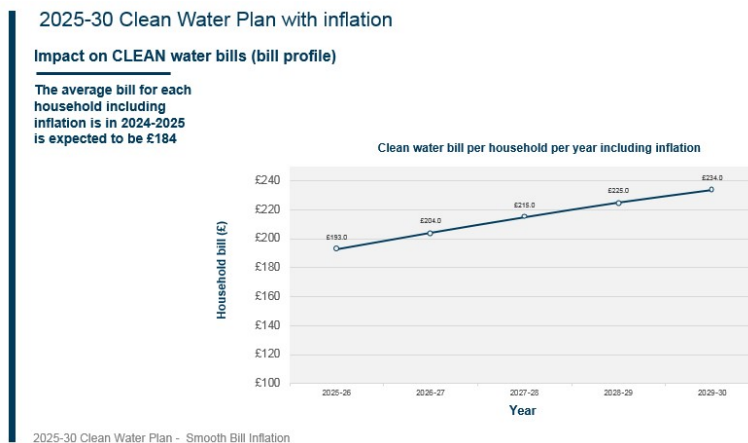
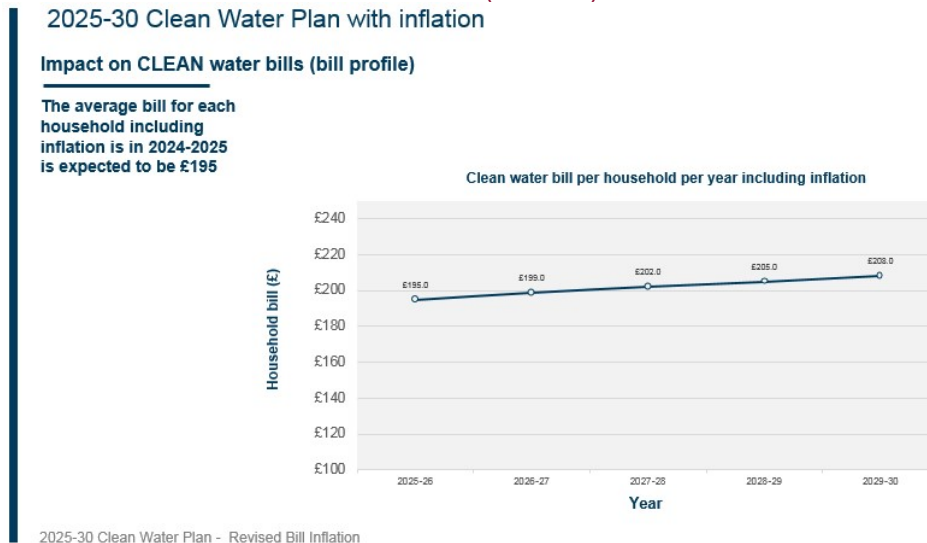


Figure 45: Revised Bill Clean Water Plan 2025-2030 (Inflation) – Stimulus



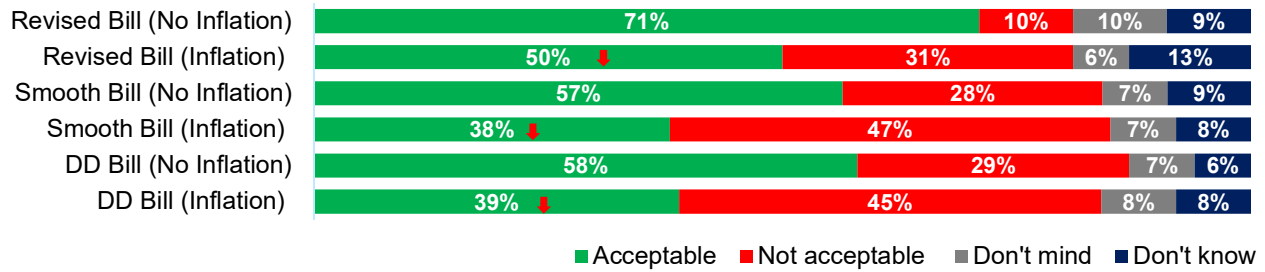
- Again, the impact of inflation in 2025-2030 shows a significant drop in perceived acceptability and affordability:
 - 71% rating the Revised Bill pre-inflation acceptable significantly dropped to 50% acceptability when inflation was added (-21%).
 - 72% rating the Revised Bill pre-inflation affordable significantly dropped to 53% affordability when inflation was added (-19%).
 - 62% felt the Revised Bill pre-inflation was in line with their expectations, this significantly dropped to 53% when inflation was added (-9%).
 - 57% rating the Smooth Bill pre-inflation acceptable, significantly dropped to 38% acceptability when inflation was added (-19%).
 - 58% rating the Smooth Bill pre-inflation affordable significantly dropped to 42% affordability when inflation was added (-16%).
 - 49% felt the Smooth Bill pre-inflation was in line with their expectations, this significantly dropped to 40% when inflation was added (-9%).
 - 58% rating The DD Bill pre-inflation acceptable, significantly dropped to 39% acceptability when inflation was added (-19%).
 - 63% rating the DD Bill pre-inflation affordable significantly dropped to 48% affordability when inflation was added (-15%).
 - 58% felt the DD Bill pre-inflation was in line with their expectations, this significantly dropped to 42% when inflation was added (-16%).

Figure 46: Clean Water Plans 2025-2030 (No Inflation vs Inflation) – Acceptability

Significant testing key

Data with a green arrow = significantly higher at 95% confidence

Data with a red arrow = significantly lower at 95% confidence



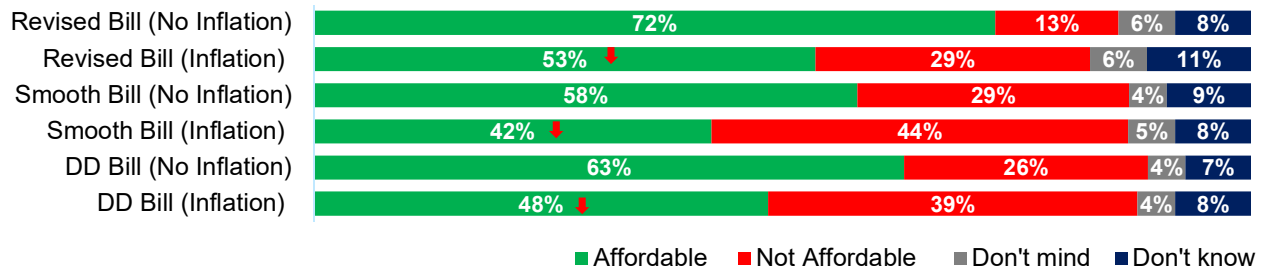
Base: 341/1024, 332 /1024, 351 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

Figure 47: Clean Water Plans 2025-2030 (No Inflation vs Inflation) – Affordability

Significant testing key

Data with a green arrow = significantly higher at 95% confidence

Data with a red arrow = significantly lower at 95% confidence



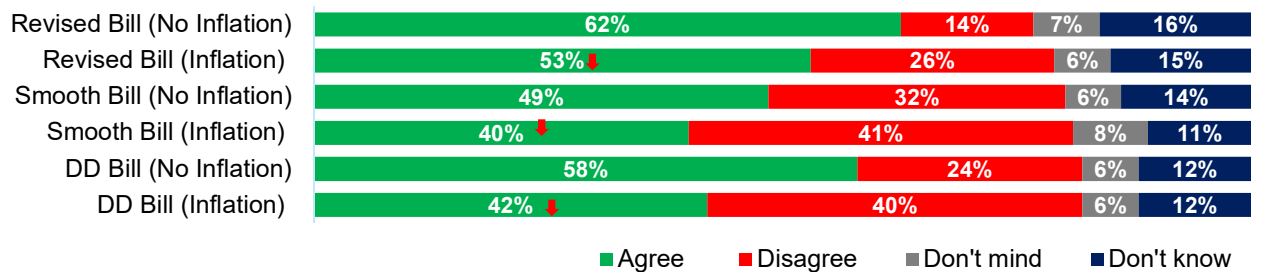
Base: 341/1024, 332 /1024, 351 /1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

Figure 48: Clean Water Plans 2025-2030 (No Inflation vs Inflation) – In line with expectations

Significant testing key

Data with a green arrow = significantly higher at 95% confidence

Data with a red arrow = significantly lower at 95% confidence



- **Acceptability of the 2025-2030 Revised Bill with inflation varies slightly across demographics:**

- Younger participants aged 16-34 and those on benefits are significantly less accepting of the 2025-2030 Revised Bill with inflation.
- Those living in Misbourne, Stort and Brett Water Zones find the 2025-2030 Revised Bill with inflation significantly more acceptable than the total.

Table 49: Clean Water Only Plan 2025-2030 (Inflation) - Acceptability

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

Clean Water Only Plan 2025-2030 (No Inflation)	DD Bill Acceptable (NET)	Smooth Bill Acceptable (NET)	Revised Bill Acceptable (NET)
Total	39%	38%	50%
Male	43%	42%	54%
Female	36%	34%	47%
Aged 16 – 34	38%	37%	36%
Aged 35 – 54	39%	41%	52%
Aged 55+	40%	35%	60%
Misbourne	57%	45%	36%
Colne	42%	38%	40%
Lee	36%	36%	45%
Pinn	38%	48%	54%
Stort	28%	26%	69%
Wey	40%	28%	55%
Dour	35%	32%	54%
Brett	44%	20%	72%
Thames	42%	41%	49%
Anglian	32%	26%	58%
Southern	35%	32%	54%
ABC1	42%	42%	55%
C2DE	34%	32%	44%
Solo decision maker	42%	38%	56%
Joint decision maker	32%	38%	41%
Metered	40%	36%	50%
Non-metered	37%	39%	52%
Benefits	32%	40%	37%
No benefits	41%	38%	55%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

- When looking at affordability with inflation those on benefits tend to find the bill profiles with inflation significantly less affordable, especially for the DD Bill and the Revised Bill. All three bills with inflation have slight affordability variation by Water Zone which should be highlighted:
 - Results suggest that the DD bill with inflation is significantly more affordable for those living in the Misbourne water zone.
 - Results suggest that the Smooth bill with inflation is significantly less affordable to those aged 55+, those living in the Stort, Wey and Brett water zones and those living in the Anglian Waste Water zone. But significantly more affordable to those living in the Colne and Pinn Water Zones
 - Results suggest that the Revised bill is significantly more affordable for those aged 55+ and those living in the Stort Water Zone.

Table 50: Clean Water Only Plan 2025-2030 (Inflation) - Affordability

Significant testing key

Data highlighted in green = significantly higher than the total at 95% confidence

Data highlighted in red = significantly lower than the total at 95% confidence

Clean Water Only Plan 2025-2030 (No Inflation)	DD Bill Affordable (NET)	Smooth Bill Affordable (NET)	Revised Bill Affordable (NET)
Total	48%	42%	53%
Male	51%	44%	54%
Female	46%	40%	53%
Aged 16 – 34	51%	54%	47%
Aged 35 – 54	44%	40%	48%
Aged 55+	50%	34%	64%
Misbourne	63%	41%	40%
Colne	43%	58%	53%
Lee	47%	36%	47%
Pinn	42%	58%	53%
Stort	40%	20%	74%
Wey	55%	29%	60%
Dour	64%	23%	59%
Brett	49%	20%	63%
Thames	48%	45%	52%
Anglian	45%	25%	59%
Southern	64%	23%	59%
ABC1	51%	45%	60%
C2DE	43%	38%	45%
Solo decision maker	49%	43%	56%
Joint decision maker	46%	40%	49%
Metered	50%	45%	55%
Non-metered	47%	40%	53%
Benefits	36%	41%	40%
No benefits	52%	42%	57%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

- **Water bill expectations with inflation shows a similar pattern to acceptability score across all three 2025-2030 Clean Water Plans with inflation, results are consistent across most demographics with some variation by water zone across the Smooth Bill and Revised Bill.**
 - Results suggest that the Smooth Bill with inflation is significantly less in line with expectations of those living in the Wey and Brett water zones.
 - Results suggest that the Revised bill is significantly more in line with the expectations of those living in the Stort Water Zone.

Table 51: Clean Water Only Plan 2025-2030 (Inflation) – In line with expectations

Significant testing key

Data highlighted in **green** = significantly higher than the total at 95% confidence

Data highlighted in **red** = significantly lower than the total at 95% confidence

Clean Water Only Plan 2025-2030 (No Inflation)	DD Bill Agree (NET)	Smooth Bill Agree (NET)	Revised Bill Agree (NET)
Total	42%	40%	53%
Male	44%	40%	53%
Female	40%	39%	53%
Aged 16 – 34	45%	46%	53%
Aged 35 – 54	38%	43%	51%
Aged 55+	43%	31%	56%
Misbourne	52%	33%	48%
Colne	41%	43%	44%
Lee	41%	41%	42%
Pinn	39%	48%	57%
Stort	30%	41%	64%
Wey	46%	27%	62%
Dour	57%	32%	67%
Brett	41%	18%	60%
Thames	43%	41%	52%
Anglian	34%	34%	52%
Southern	57%	32%	67%
ABC1	46%	43%	59%
C2DE	35%	35%	46%
Solo decision maker	45%	40%	57%
Joint decision maker	37%	39%	46%
Metered	43%	37%	51%
Non-metered	38%	42%	55%
Benefits	37%	42%	45%
No benefits	42%	37%	55%

Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019.

DD Bill – 351 Total / 175 Male / 176 Female / 51 Age 16-34 / 133 Age 35-54/ 167 Age 55+ / 246 ABC1 / 105 C2DE / 206 Main Bill Payer / 110 Joint Bill Payer / 206 Have a meter / 137 No meter / 60 Benefits / 280 No benefits / 35 Misbourne / 50 Colne / 68 Lee / 67 Pinn / 34 Stort / 58 Wey / 22 Dour / 17 Brett / 253 Thames / 59 Anglian/ 22 Southern

Smooth Bill – 332 Total / 168 Male / 164 Female / 50 Age 16-34 / 117 Age 35-54/ 165 Age 55+ / 220 ABC1 / 112 C2DE / 246 Main Bill Payer / 86 Joint Bill Payer / 174 Have a meter / 145 No meter / 58 Benefits / 261 No benefits / 35 Misbourne / 47 Colne / 62 Lee / 70 Pinn / 29 Stort / 51 Wey / 18 Dour / 20 Brett / 245 Thames / 56 Anglian/ 18 Southern

Revised Bill – 341 Total / 174 Male / 167 Female / 48 Age 16-34 / 125 Age 35-54/ 168 Age 55+ / 223 ABC1 / 118 C2DE / 232 Main Bill Payer / 109 Joint Bill Payer / 200 Have a meter / 129 No meter / 49 Benefits / 283 No benefits / 38 Misbourne / 49 Colne / 68 Lee / 63 Pinn / 31 Stort / 55 Wey / 20 Dour / 17 Brett / 253 Thames / 65 Anglian/ 20 Southern

Base sizes below 100 should be treated with caution.

4. Overall bill preference

- Once participants had evaluated one 2020-2025 bill profile and the corresponding 2025-2030 bill profile, they were shown all three bills at once but this time over a 10-year period. They were then asked to select their overall preference, either the DD Bill, the Smooth Bill or the Revised Bill.
 - Half of the sample saw the plans without inflation and half of the sample saw the plans with inflation. The sample was split on a 'least fill' basis to ensure consistency of profile within each cell.

The details of the plans given to participants were as follows:

Figure 52: DD Bill Clean Water Plan 2020-2030 (No Inflation) – Stimulus

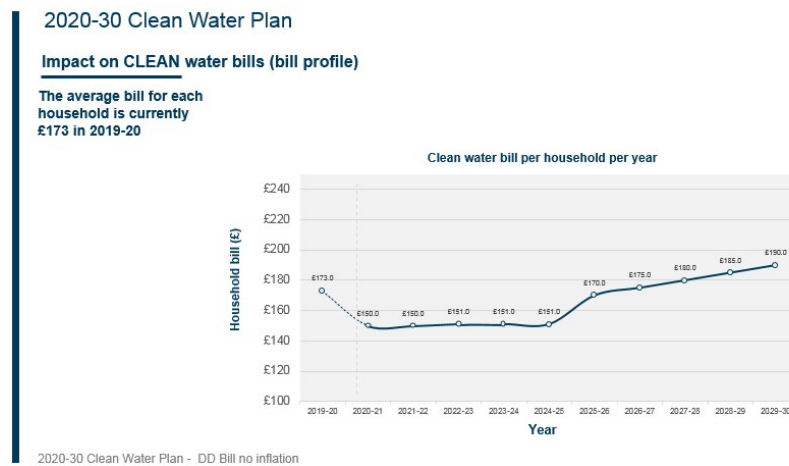


Figure 53: Smooth Bill Clean Water Plan 2020-2030 (No Inflation) – Stimulus

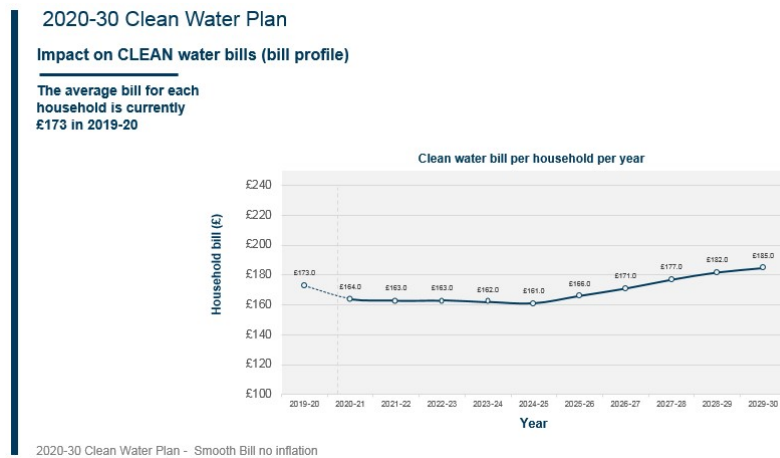


Figure 54: Revised Bill Clean Water Plan 2020-2030 (No Inflation) – Stimulus

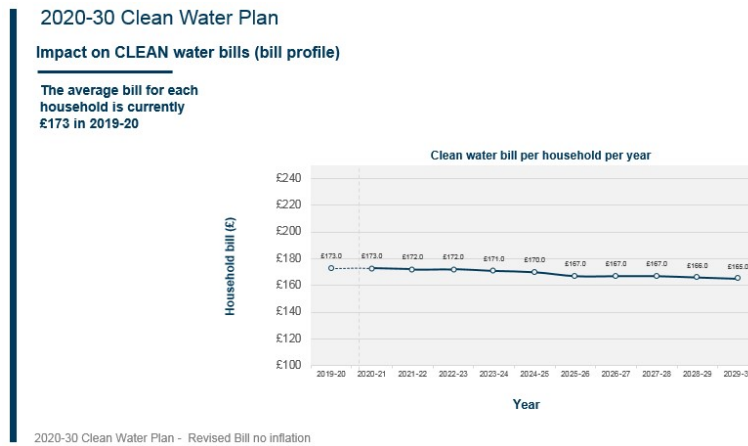


Figure 55: DD Bill Clean Water Plan 2020-2030 (Inflation) – Stimulus

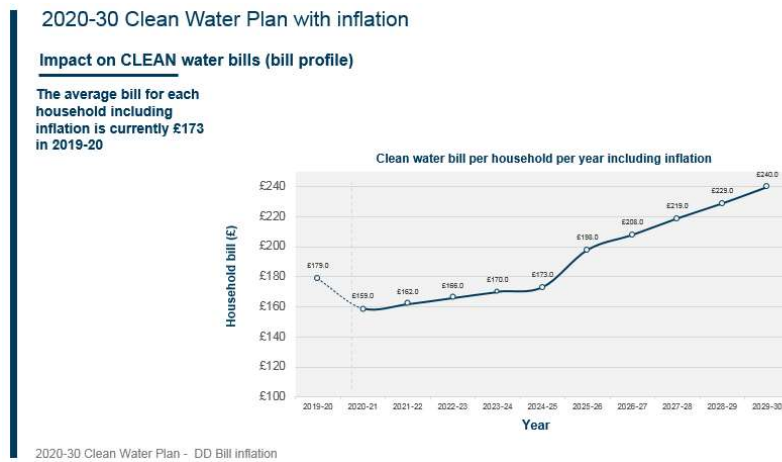


Figure 56: Smooth Bill Clean Water Plan 2020-2030 (Inflation) – Stimulus

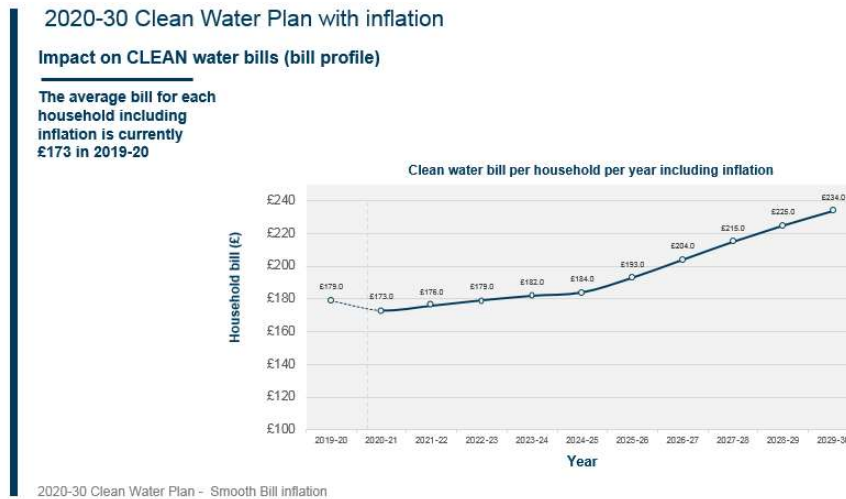
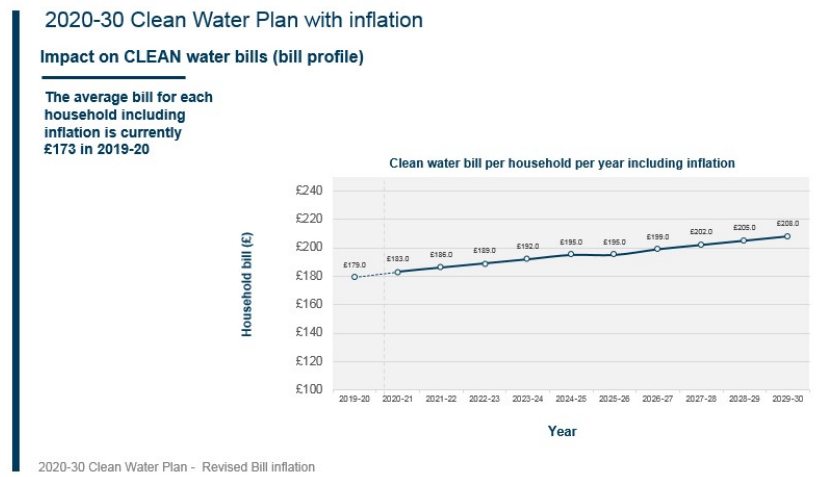
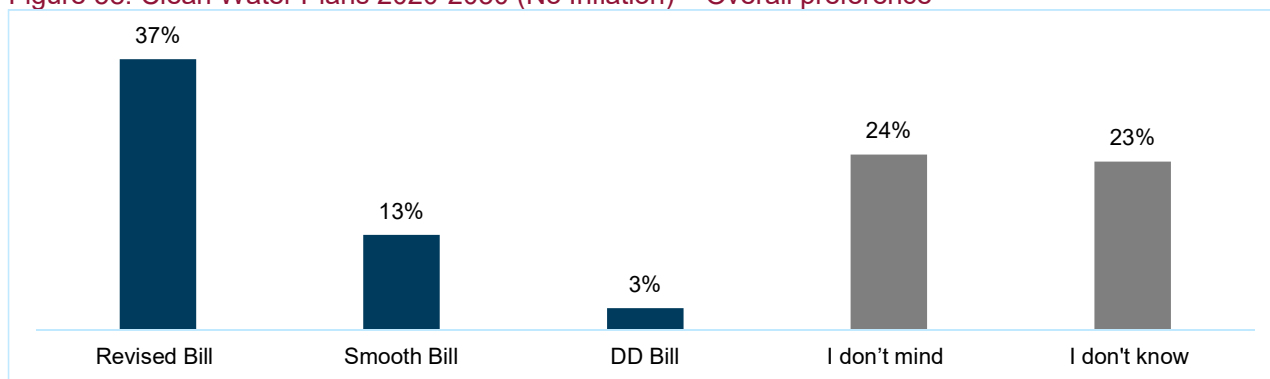


Figure 57: Revised Bill Clean Water Plan 2020-2030 (Inflation) – Stimulus



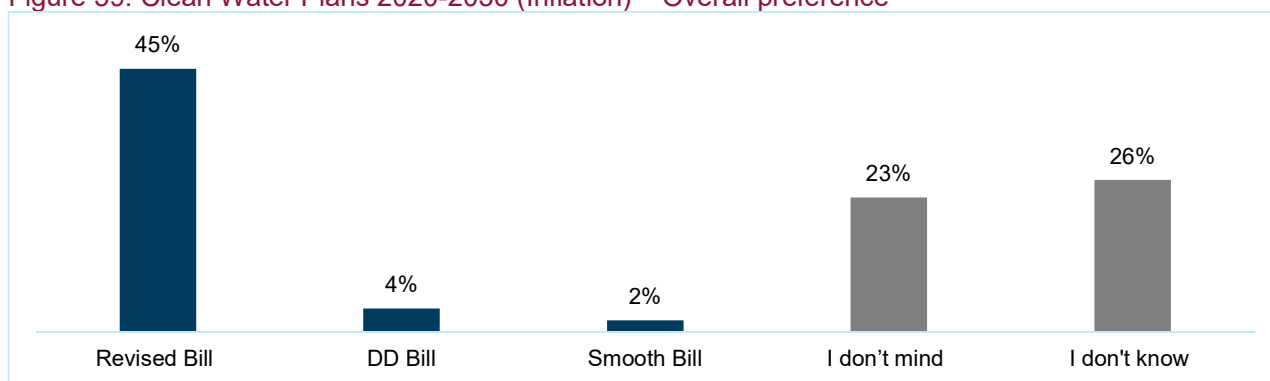
- **When forced to choose the Revised Bill was the preferred profile both with and without inflation.**
 - 37% chose the Revised Bill profile as their preference without inflation, this is significantly higher than the other two bill profiles; Smooth Bill achieved 13% preference while DD Bill achieved only 3%.
 - 45% chose the Revised Bill profile as their preference with inflation, this is significantly higher than the other two bill profiles; DD Bill achieved only 4% and the Smooth Bill achieved even less at 2%.
 - Those selecting 'I don't mind' and 'I don't know' were high during this exercise; 47% for no inflation and 49% with inflation.

Figure 58: Clean Water Plans 2020-2030 (No Inflation) – Overall preference



Base: 516/1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

Figure 59: Clean Water Plans 2020-2030 (Inflation) – Overall preference



Base: 508/1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

5. Gabor Granger Pricing Exercise

- Finally, participants were first given a description of why costs might rise due to unforeseen event:

Unforeseen events such as droughts and impacts of weather can result in increases to customer water bills. The average household water bill in 2019/20 is on average £173 per year before inflation. We are interested to understand how much extra you would be prepared to pay per year to have lower bills in the long term and greater certainty that there would not be a significant bill increase as a result of unforeseen events.

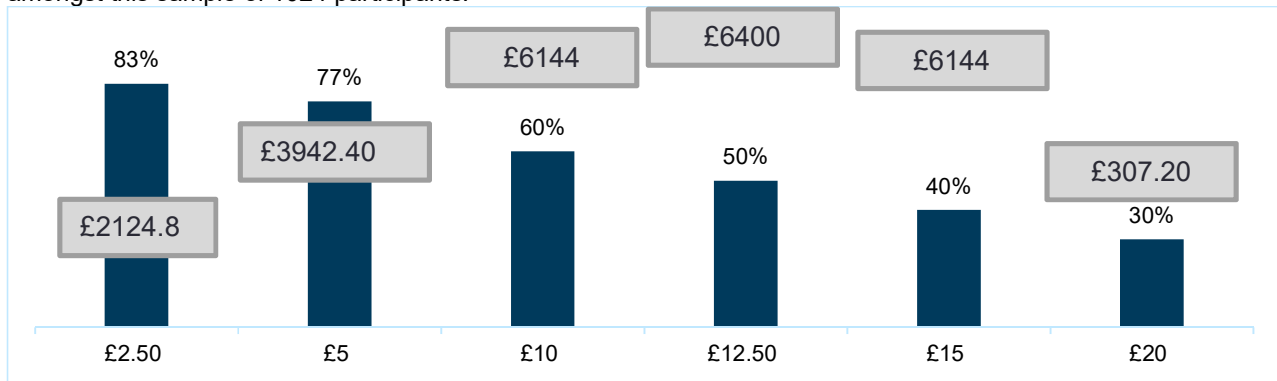
- After seeing this explanation participants were randomly shown a range of price points one at a time and asked to rate how acceptable they found this increase. If they found the increase very acceptable or fairly acceptable they were shown a higher price point, if they found the price point very unacceptable or fairly unacceptable they were shown a lower price point. The exercise was repeated until all price points were addressed. Rather than giving us a single, ideal price point, a Gabor Granger exercise helps us to make a judgement call on the balance between raising prices and potential drops in acceptability. The percentages shown represent the proportion of customers willing to pay the suggested price.

- The price points included in testing were as follows:
 - £2.50
 - £5
 - £10
 - £12.50
 - £15
 - £20

- **Although acceptability is highest at an increase of £2.50 (83% acceptability), £12.50 may be considered the optimum price point as it provides the maximum yield.**

Figure 60: Gabor Granger Pricing – Overall Acceptability

The bars show acceptability of each price point, the grey boxes show the maximum yield based on % acceptability amongst this sample of 1024 participants.



Base: 1024 adults aged 16+ from across the Affinity Water customer areas, August 2019

Appendix.

Bill Profile Testing Over Time Analysis

Data highlighted in green = Highest score
 Data highlighted in red = Lowest score

Clean Water Only Plan 2020-2025	March 2019 Profile 1 (n=500)	March 2019 Profile 2 (n=500)	May 2019 (n=1,034)	August 2019 DD Bill Profile (n=)	August 2019 Smooth Bill Profile (n=)	August 2019 Revised Bill Profile (n=)
'Very/ Fairly Acceptable' (no inflation)	81%	79%	79%	74%	71%	72%
'Very/ Fairly Affordable' (no inflation)	76%	72%	78%	70%	67%	66%
'Very/ Fairly Acceptable' (with inflation)	54%	50%	61%	67%	64%	62%
'Very/ Fairly Affordable' (with inflation)	54%	53%	58%	65%	57%	63%

Clean Water Only Plan 2025-2030	March 2019 Profile 1 (n=500)	March 2019 Profile 2 (n=500)	May 2019 (n=1,034)	August 2019 DD Bill Profile (n=)	August 2019 Smooth Bill Profile (n=)	August 2019 Revised Bill Profile (n=)
'Very/ Fairly Acceptable' (no inflation)	74%	81%	n/a	58%	57%	71%
'Very/ Fairly Affordable' (no inflation)	73%	78%	n/a	63%	58%	72%
'Very/ Fairly Acceptable' (with inflation)	49%	51%	n/a	39%	38%	50%
'Very/ Fairly Affordable' (with inflation)	45%	46%	n/a	48%	42%	53%

Sample Profile

		% breakdown weighted	Completes unweighted N=1,024
Community_Zone (WRZ) WATER ZONE	Misbourne	9%	88
	Colne	11%	115
	Lee	22%	226
	Pinn	33%	334
	Stort	8%	86
	Wey	16%	159
	Dour	5%	51
	Brett	4%	40

Gender [Q1]	Male	49%	502
	Female	51%	522

Age [SAGE]	16-24	14%	143
	25-34	17%	174
	35-54	36%	368
	55+	33%	338

Socio-economic group [Q5]	ABC1	60%	614
	C2DE	40%	410