

AFW Engaging Customers

Appendices

March 2019



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EC.Summary.1 Additional customer engagement completed since 31 January 2019	Additional evidence for summary
EC.C2.1 #TapChat Campaign Results 2017 & 2018	AFW.EC.C2
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Appendix EC.Summary.1

Additional evidence for summary

Additional customer engagement completed since 31 January 2019

Bill profile testing

Reference test area evidence document Addressing Affordability & Vulnerability, section 2.1 (action AFW.AV.A1) and section 2.2 (action AFW.AV.A2)

1000 customers; online panel with weighed demographics across supply area, testing two bill profiles.

Key findings:

- High acceptability (79-81%) and affordability (72-76%) for both 2020-25 bill profiles with no clear preference towards one and high acceptability (74-81%) and affordability (73-78%) for both 2025-30 bill profiles
- Significant drop in affordability and acceptability (agreement for each between 50-54%) when inflation was added to the bill profile

Performance Commitment Incentives & Reward testing

Reference test area evidence document Delivering Outcomes for Customers, section 2.41 (action AFW.OC.A41).

1000 customers; online panel with weighed demographics across supply area

rdWRMP focus group 1

Reference test area evidence document Targeted Controls, Markets and Innovations, section 2.1 (action AFW.CMI.A1).

40 customers; 4 focus groups in Folkestone, Clacton and Watford (x 2) - the purpose was to gain customer views on a number of issues, particularly long-term resilience in relation to the proposed strategic supply options and drought resilience. In addition, the focus groups also sought customer views on a number of demand side options.

Key findings:

- Participants were often surprised at the challenges facing Affinity Water. They engaged with these and felt that more should be done to educate the public on this issue.
- There is a strong appeal for demand-side options to reduce waste water use. Participants felt that more could be done to educate customers about how to reduce water use. Using data to provide customers with information about their own usage via bill information, emails or smart meters was met with positive response.
- Overall, reaction to potential supply-side options were based on the perceived impact of the option. This includes the following four key inter-related factors. Participants felt that more information on these factors would support them in making a more informed decision about a preferred option. These information needs typically reflected the four key factors:



Key factor	Information need
Cost of the option	Impact on bill
Efficiency of the option	How efficient is this option (building work required, amount of water it will)
Environmental impact of the option	Environmental impact
Quality of water delivered by the option	How will water be treated (most relevant for effluent re-use)

rdWRMP focus group 2

Reference test area evidence document Targeted Controls, Markets and Innovations, section 2.1 (action AFW.CMI.A1).

41 customers; four focus groups in Harrow (x2), Manningtree and surrounding areas and Dover and surrounding areas

Key findings:

- Participants were engaged in the challenges that face the Affinity Water area. They were interested to know how these challenges are being addressed and looked at from both regional and national levels. Participants felt that water companies should work together. They were also keen for more information to be provided to customers (and the public in general) about how to manage household water use.
- There was strong push-back towards the idea of Affinity Water customers funding other customers to have greywater systems and water efficient appliances installed in new build properties.
- The most appealing supply side options across all four groups were (in no particular order):
a. Transfer by Grand Union Canal, b. South East Strategic Reservoir, c. South Lincolnshire Reservoir
- The least appealing supply side options across all four groups were (in no particular order):
a. Effluent re-use, b. Transfer from River Severn to River Thames, c. Desalination

rdWRMP online survey

Reference test area evidence document Targeted Controls, Markets and Innovations, section 2.1 (action AFW.CMI.A1).

1000 customers; online survey; quotas applied on several demographic and geographic variables to build a representative sample

Key findings available 1 April 2019.

Community Strategy

25 customers; three focus groups in Wembley, Luton & Folkestone



The research purpose was to translate Affinity Water's Community Strategy model into a customer-friendly expression, specifically canvassing the views from "hard-to-reach" customers. Key findings are as follows:

- Healthier communities - Phrase and concept is appealing; Positive response to measures that are personal and relate to customers (but not BAU activities); Current measures could also fall in domain of engaged communities
- Resilient environments - Word 'resilient' is problematic, not appealing; Concept of resilience requires education and deeper understanding in order to have resonance; Technical/BAU activities do not feel relevant to customers and their world but protection of natural world is appealing
- Engaged communities - Phrase and concept is appealing; Customers open to greater engagement (and education) from Affinity Water
- Sustainable economies - Phrase is not appealing; Most measures seen as BAU – not relevant for community focus; Understanding the true value of water is considered to be reason to promote greater community engagement
- Corporate responsibilities - Negative connotations; Does not appeal or resonate with concept of communities (too generic and large-scale)

Willingness To Pay (WTP)

Phase 1 WTP research completed (740 customers, online panel), with Phase 2 commencing April 2019.



Appendix EC.C2.1

Action ref AFW.EC.C2

Results from the 2017 and 2018 #TapChat campaign with Hubbub

CAMPAIGN HIGHLIGHTS

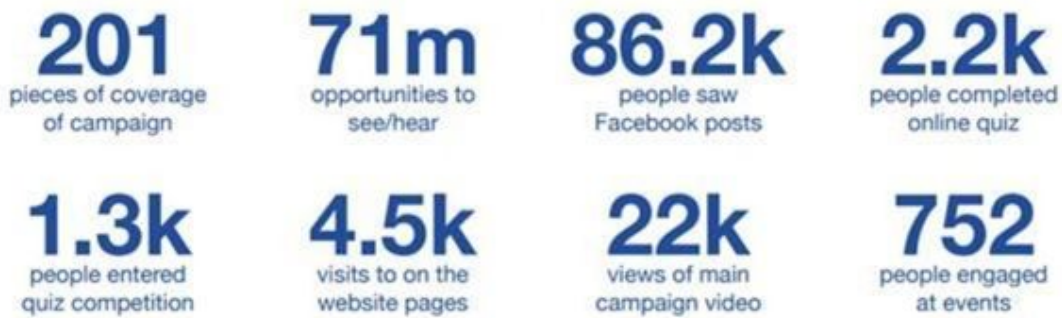


Figure 2: Results of 2018 #TapChat campaign

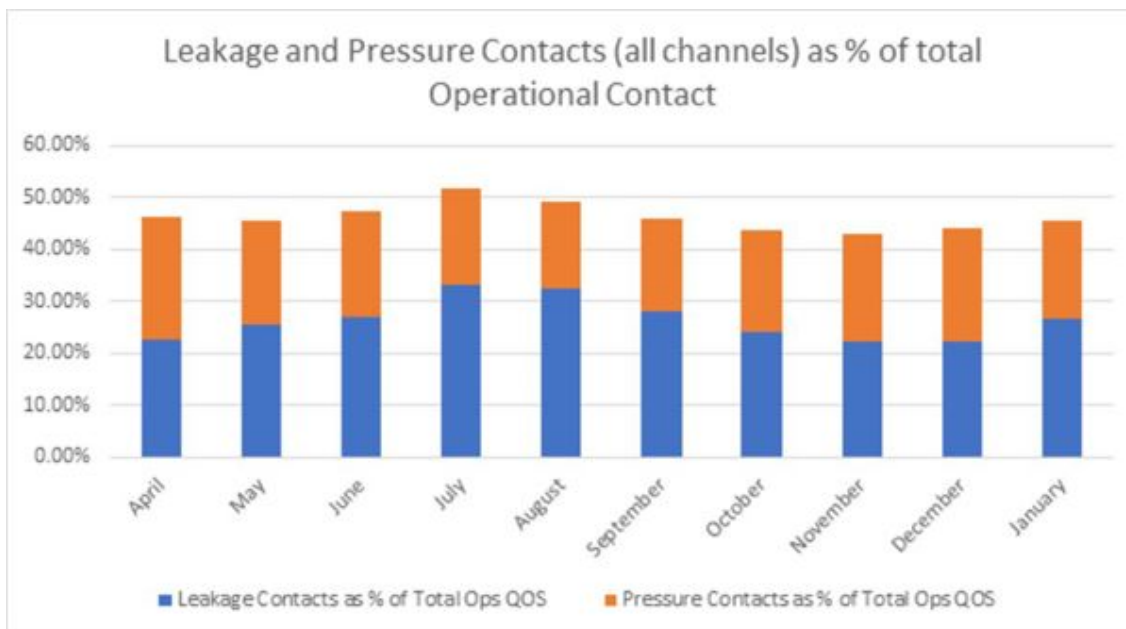




Appendix EC.C2.2

Action ref AFW.EC.C2

Leakage and Pressure Contacts (all channels) as % of total Operational Contact





Appendix EC.C3.1

Action ref AFW.EC.C3

Schools Focus Report

Future Customers Secondary School Focus Groups

5 June 2018





Contents

- Executive summary
- Participating schools, age range, gender and numbers
- Key findings
- Responses to individual questions
- Group discussion findings
 1. Based on the activity you have done (and your own knowledge) is there anything we should be doing as a the community in relation to water?
 2. What solutions can you think of to save water?
 3. How do you think we can encourage people to use less water?
 4. What is the most important thing about your water supply?
 5. How do you think companies like Affinity Water should communicate with young people going forward?
 6. If you were a customer, what would be your preferred method to get in touch with your water company?
- Next steps



Executive Summary

Background and methodology

As part of the Business Planning process, Affinity Water engaged with future customers to establish their views, insights and priorities to inform the final versions of the Water Resources Management and Business Plan, with a specific focus on water efficiency.

A range of secondary schools were approached within the Affinity Water supply area, with five schools volunteering to take part. Five discussion groups took place during April and May 2018. Each session was led by a member of the Affinity Water Education Team with support from the PR19 Programme Team.

The session started with background about Affinity Water and water available for use, followed by a fun, interactive game to explore water demand and supply. Participants were then asked a series of individual questions followed by group discussions that aligned to existing engagement with existing customers. Each session followed a structured and consistent format.

The questions and discussion topics relate directly to the proposed performance commitments we are consulting on with existing customers but are asked in a way that young people will better understand.

This qualitative study forms part of a wider engagement and market research, including a quantitative survey with 895 secondary school children. The discussion groups do not constitute a representative sample of customers in the Affinity Water supply area.



Participating schools, age range, gender and numbers

Area	Age Range	No. of participants	Gender
Sir John Lawes School, Harpenden	11-17	15	M/F
Watford Grammar School for Boys	12-13	29	M
Stanborough School, Welwyn Garden City	11-17	23	M/F
Manningtree High School, Essex	11-15	20	M/F
Onslow St. Audrey's School, Hatfield	14-15	20	M/F
TOTAL		107	Male: 66 Female: 41



Key findings – individual questions

The below percentages of participants felt the following issues are important and either strongly agreed or tended to agree:

- 88% agreed that cost of water is important
- 89% of water companies should do more regarding leaks and burst pipes
individuals should be careful about the amount of water they use
- 70% of agreed that there must be sharing of water across the country
- 56% believed that we must be able to restrict water use during a drought
- 51% agreed in taking less water from rivers
- 45% agreed that we must take less water from aquifers



Key findings – discussion groups

In terms of what the community should be doing the following are priorities:

- fixing leaks
- turning off taps
- restrictions/caps on water use
- recycling water
- raising awareness (of limited water resources).

The most common suggestions on water saving revolve around:

- water re-use/storage
- reducing shower use/time spent in the shower
- water meters
- limiting usage.

Ideas for encouraging water saving centred on:

- information/education using various media
- there are some references to cost incentives and penalties.



Key findings – discussion groups continued

In terms of what's most important about water, clean and safe are most often mentioned as well as purity, temperature(cold/hot), reliability and various uses.

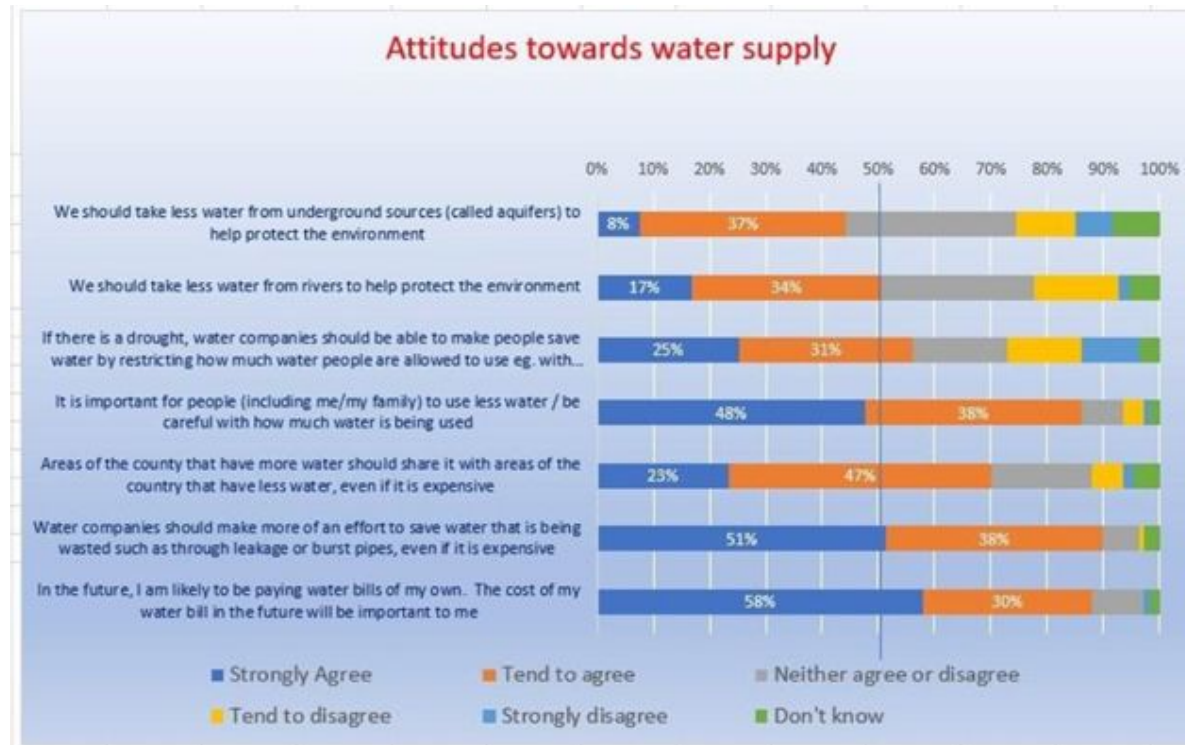
Ideas on how a water company should communicate with young people revolve around social media with a variety of other ideas such as TV adverts and celebrity endorsement.

In terms of how they would like to get in touch with their water company in the future, a mixed response with text messaging leading but with phone, social media and email also popular.



Responses to individual questions

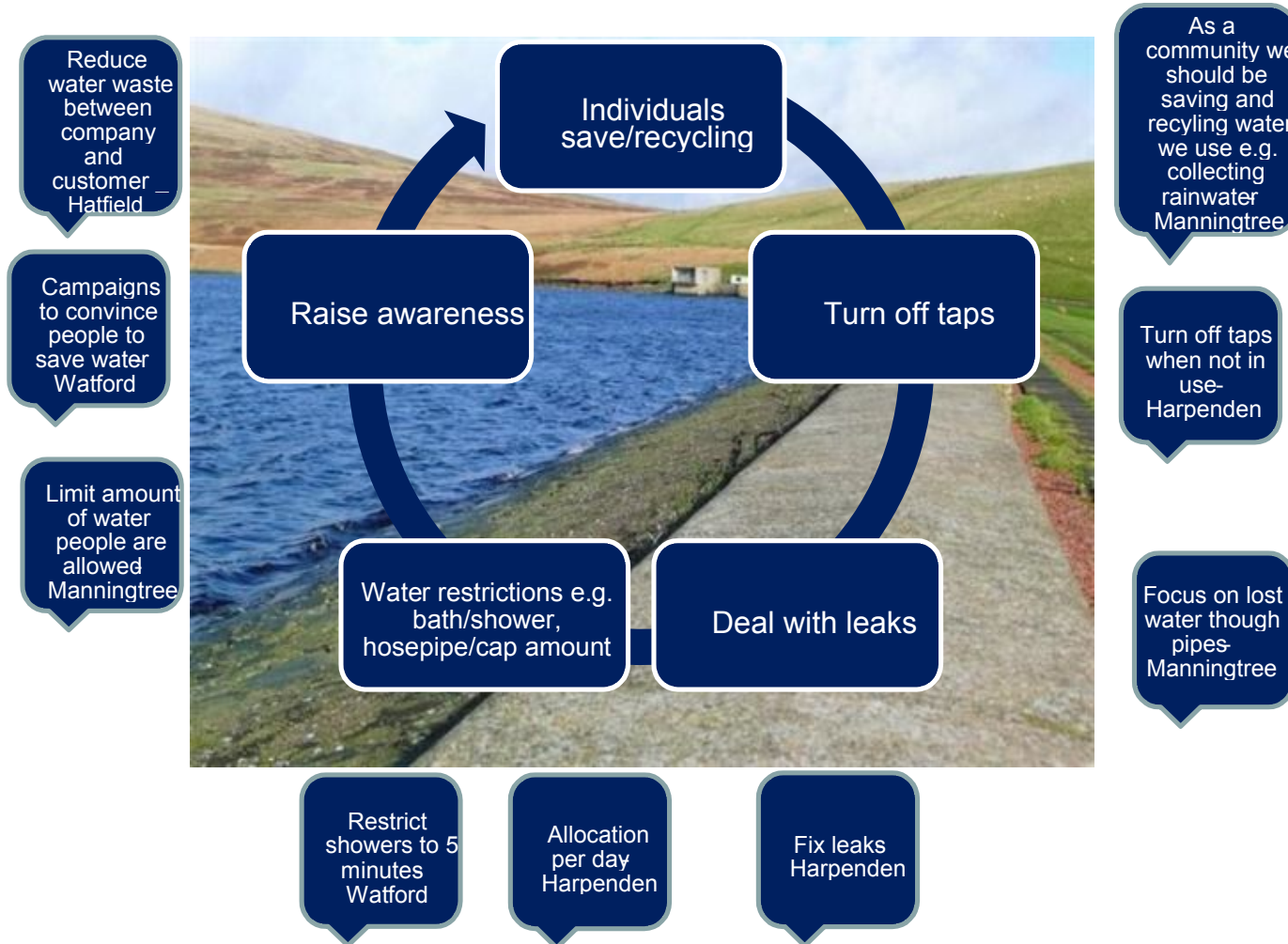
There was strong agreement about costs being important, water companies should do more to fix leaks and customers should be careful about water use. There was lower agreement on taking less water from aquifers and rivers and forced water restrictions. Tendency to agree on water sharing from water rich areas even it is more expensive.





1. What should the community be doing?

Leaks, turning off taps, restrictions/caps, recycling and awareness feature strongly.





2. What solutions can you think of to save water?

A range of suggestions including water re-use/storage, shower use, water meters and limiting usage

do
think

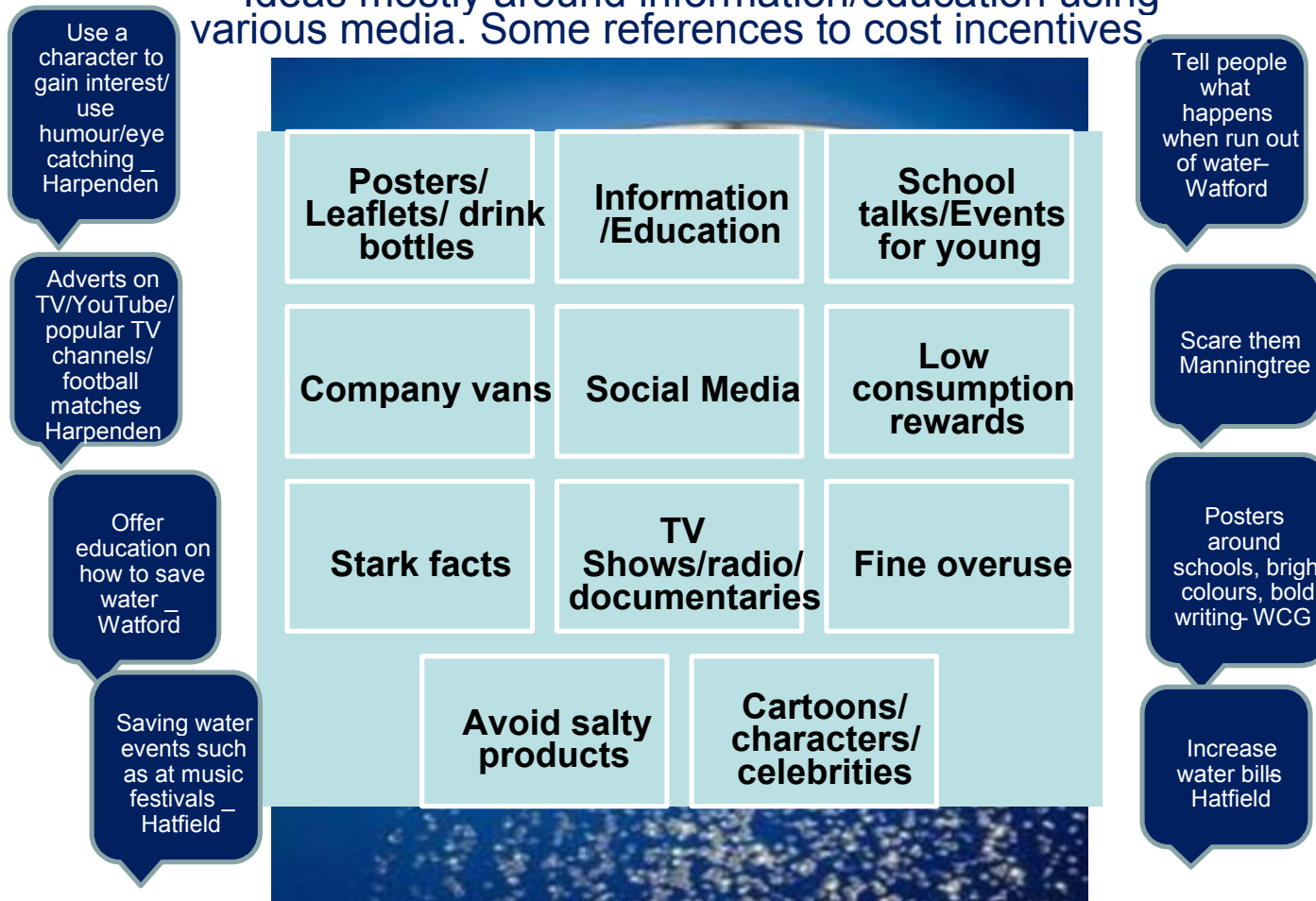


3. How
you
we can

encourage people to use less water?



Ideas mostly around information/education using various media. Some references to cost incentives.



4. What is the most important thing about your water supply?



Clean and safe water is often mentioned.

Clean/safe

No chemicals/pure

Right temperature/Hot and Cold Water

Reliable

Sufficient

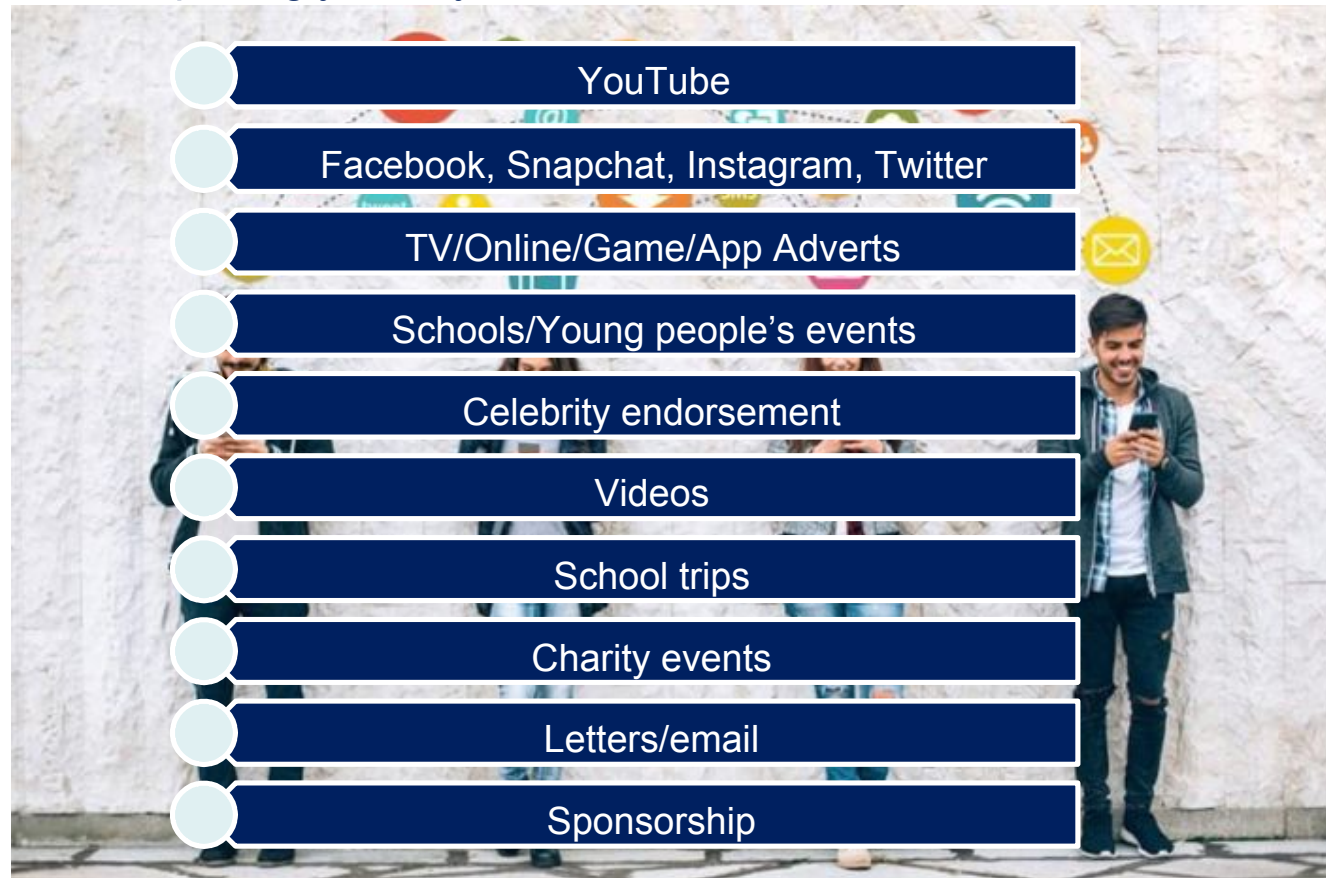
Cheap prices

Various used e.g. drink, cook, wash,
toilet

5. How do you think companies like Affinity Water should communicate with young people going forward?



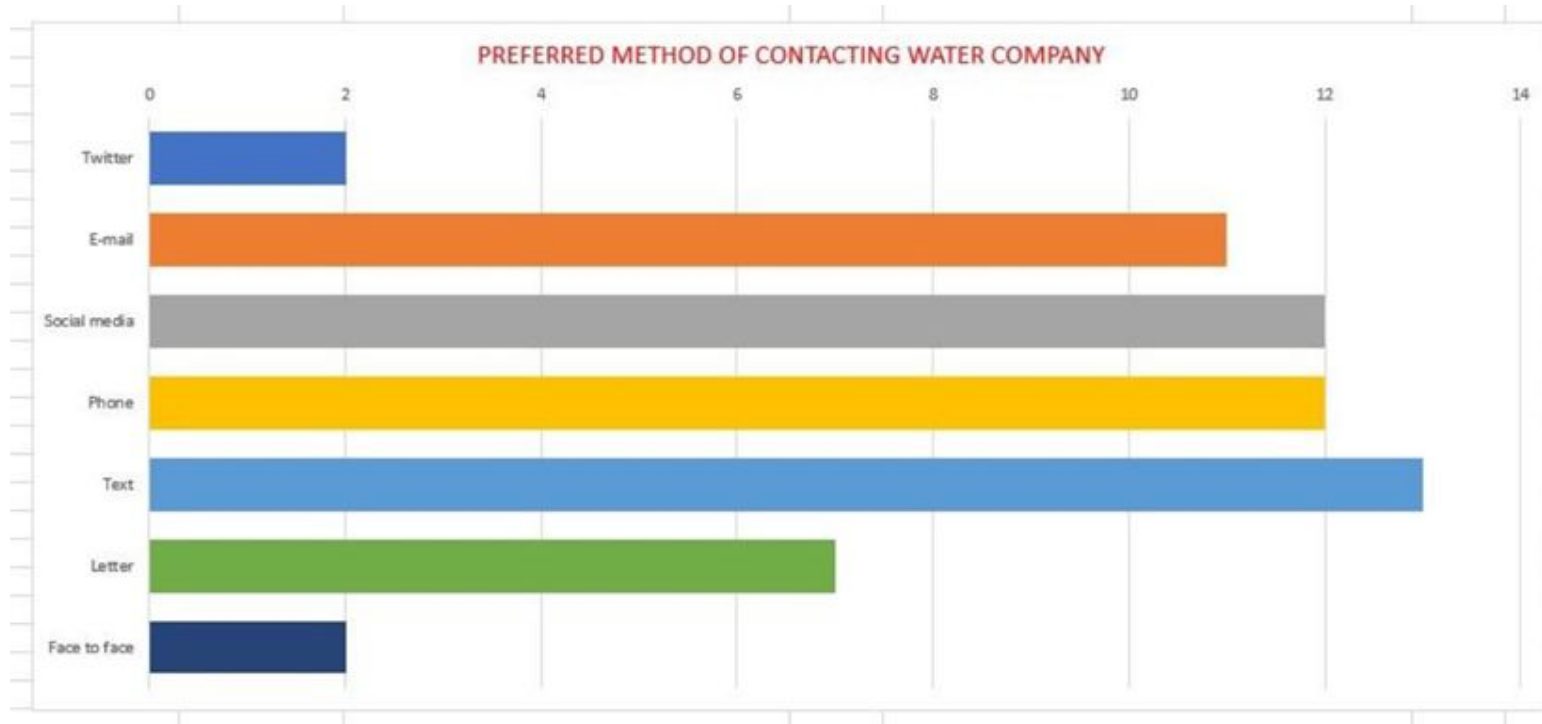
Not surprisingly, many mentions of social media



6. If you were a customer, what would be your preferred method to get in touch with your water company?



Based on a limited number of responses, a fairly mixed picture –text, phone and email leading



Next steps



This market research is part of a wider customer engagement programme.

All of the findings from this programme will be brought together via a triangulation process which will:

- identify key feedback findings
- establish where/if further research is needed
- assess robustness and quality of feedback
- identify areas of corroboration
- identify areas of contradiction • produce an analysis of findings
- make recommendations.

The recommendations will then inform the final versions of the Business and Water Resources Management Plans.



Appendix EC.C3.2

Action ref AFW.EC.C3

Schools online survey

Future Customers Secondary Schools Survey

24 May 2018



Background

Affinity Water was keen to ensure that it engaged with school aged future customers to establish their views, insights and priorities to inform the draft Water Resources Management and Business Plans, with a focus on water saving.

A broad range of schools were approached via the Education Team across the Affinity Water supply area. Affinity Water staff who are also customers, were also asked to encourage their children to participate.

The questions relate directly to the proposed performance commitments we are consulting on with existing customers but are asked in a way that young people will better understand.

This quantitative survey forms part of a wider engagement and market research, including a qualitative study with 107 secondary school aged children.

Methodology

- A 45 question online survey was conducted with secondary school children aged 11 to 18 years old.
- Fieldwork took place between 12th March 2018 and 30th April 2018.
- There were a total of 895 responses. 489 of these were fully completed.
- The analysis is based on all survey responses.
- Responses are presented unweighted (note older age group is under-represented).
- This survey does not constitute a representative sample of customers in the Affinity Water supply area.

Objectives

The overall aim was to establish young people's views as future customers by considering the following water related topics:

- Awareness/reputation of Affinity Water.
- Discussion of water in the home.
- Knowledge of water resources.
- Availability, quality, consumption and importance.
- Views and experience of water saving.
- Views and experience of leakage.



Executive Summary

Key findings

- Awareness of Affinity Water is quite low and perceptions broadly indifferent, though where expressed, they are positive on balance:
 - Thought of mostly in a functional sense – “provides water”
 - Low familiarity (75%) with the company
 - Vans at 14% are the biggest source of awareness. Other top sources are relatives/friends/employees
 - A minority (28%) recall discussion at home – mostly in relation to cost (31%).
- Knowledge of the water supply consumption is reasonable:
 - Majority of 83% recognise that (clean/safe) water is a crucial resource
 - Majority of 75% agree there is a need to save water
 - The majority of answers to factual questions were correct/close
 - Some awareness of water supply v. consumption issues but not eliciting strong emotions
 - A minority (11%) don't consider the water supply to be up to standard.

Executive Summary

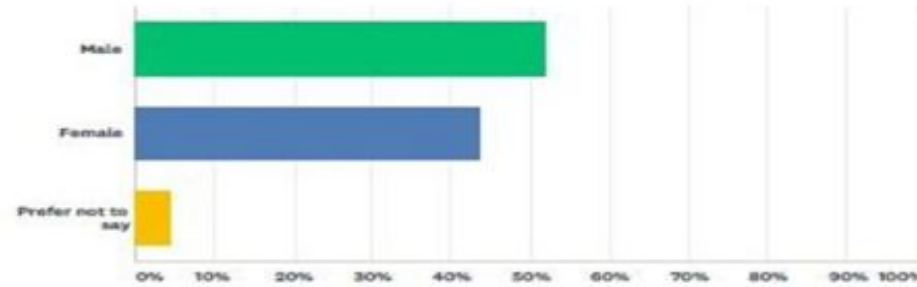
Key findings continued

- Attitude to water saving is variable:
 - Some knowledge of water saving measures
 - Some evidence of using water carefully in practice and recognition of the individual's part (alongside the water company) in reducing water consumption but far from universal.
- Awareness of leakage:
 - Most claim to have seen some type of leak quite often or more and a small proportion large leaks/burst frequently
 - Concerns about leakage are mixed – top answers are dislike of waste and the impact on the environment.

The sample comprised slightly more males than females and the older age range is under-represented

Q1 Are you ... ?

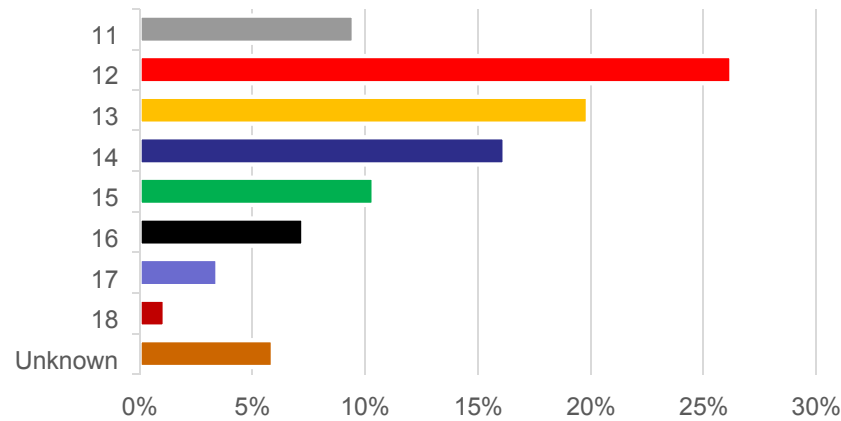
Answered: 895 Skipped: 0



ANSWER CHOICES	RESPONSES	Count
Male	51.96%	465
Female	43.46%	389
Prefer not to say	4.58%	41
TOTAL		895

Q2 How old are you?

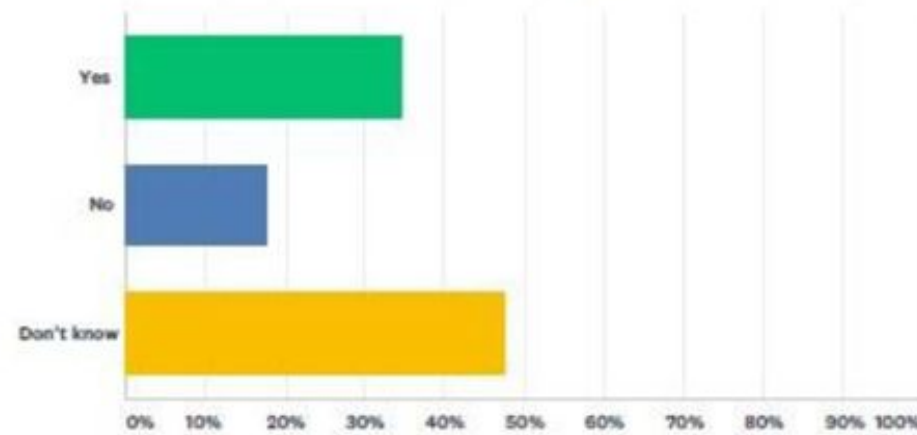
Answered :842



Most don't know whether their home has a water meter but one third know they do.

Q4 Does your home have a water meter?

Answered: 895 Skipped: 0

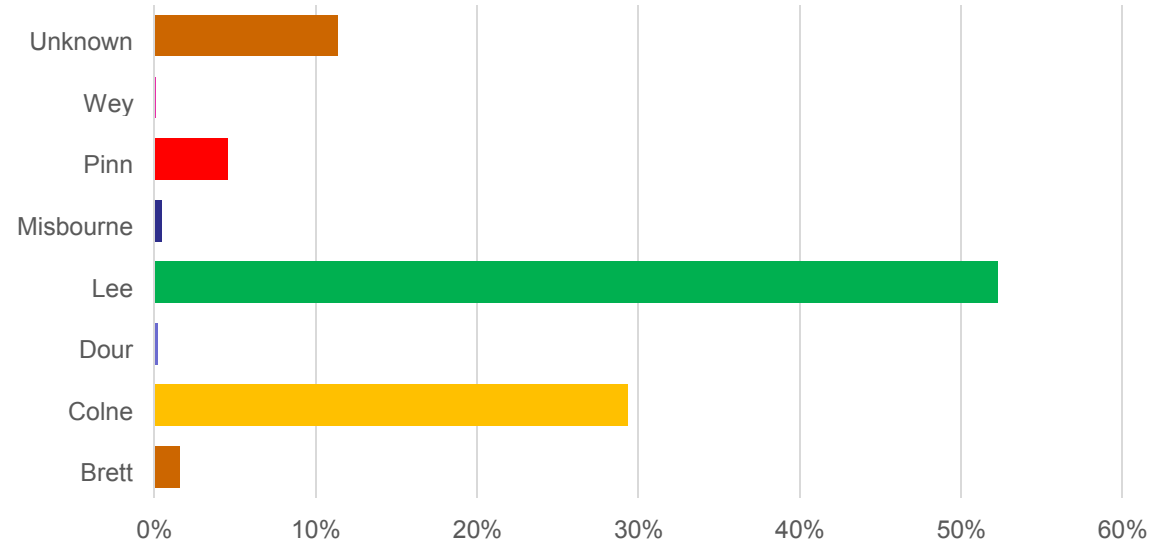


ANSWER CHOICES	RESPONSES	
Yes	34.75%	311
No	17.77%	159
Don't know	47.49%	425
TOTAL		895



Homes in sample are concentrated in Lee and Colne communities

Respondents by Zone

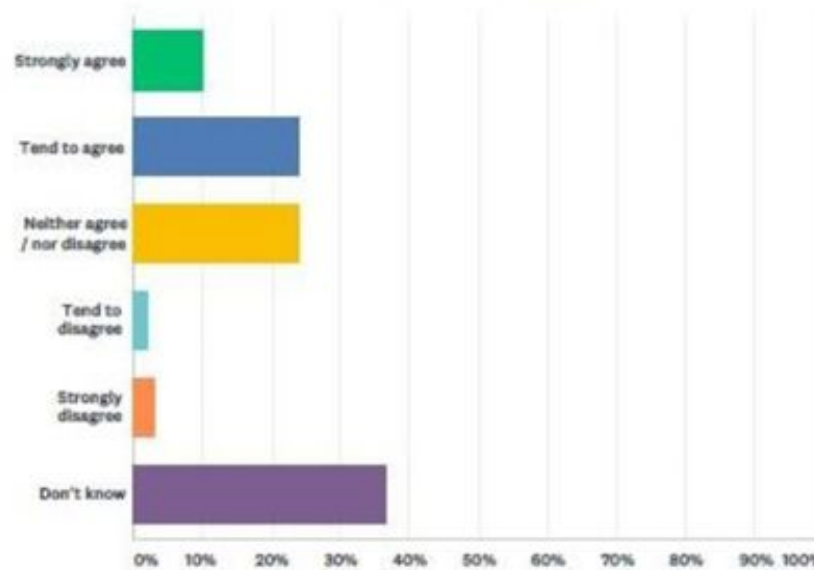


AWARENESS AND REPUTATION

A majority do not have an opinion about Affinity Water but, where they do, on balance, this is positive

Q8 How much do you agree or disagree with the statement "Affinity Water has a positive reputation."

Answered: 780 Skipped: 115



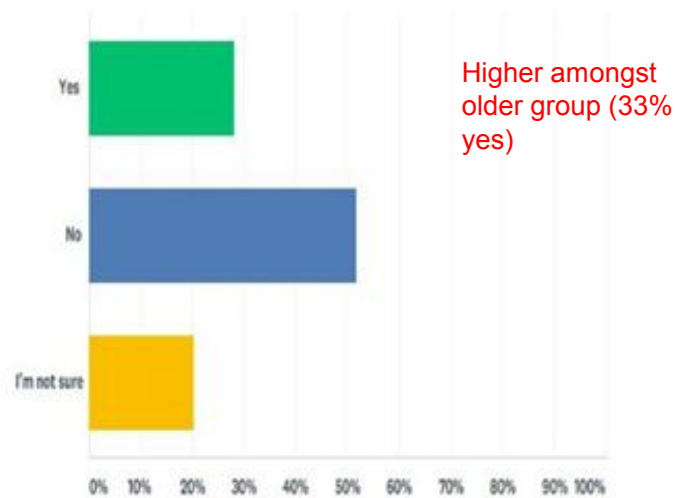
Reputation slightly lower amongst 15-18 year olds (older group) – e.g. 7% strongly agree

ANSWER CHOICES	RESPONSES	
Strongly agree	10.13%	79
Tend to agree	23.97%	187
Neither agree / nor disagree	23.97%	187
Tend to disagree	2.05%	16
Strongly disagree	3.21%	25
Don't know	36.67%	286
TOTAL		780

Nearly three quarters can't recall any discussion at home.

Q9 Have you heard anyone talking about water (or Affinity Water) at home?

Answered: 780 Skipped: 115



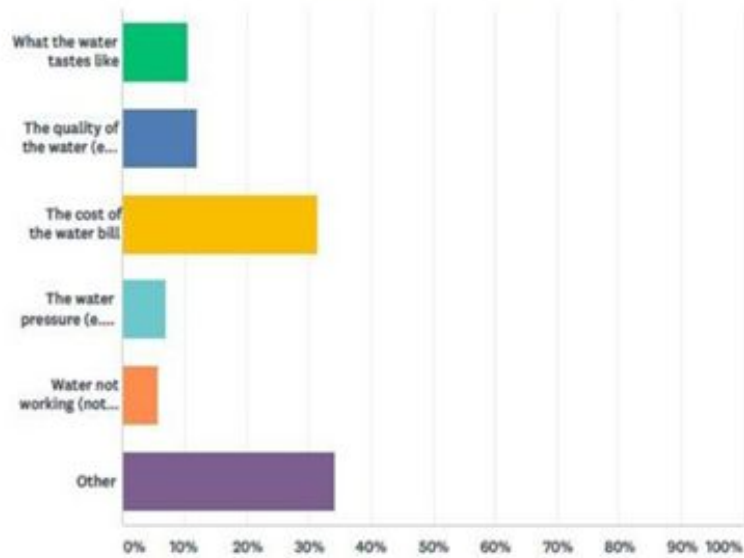
ANSWER CHOICES	RESPONSES	
Yes	27.95%	218
No	51.67%	403
I'm not sure	20.38%	159
TOTAL		780



Cost is the biggest single topic where it is discussed.

Q10 If yes, what did they talk about?

Answered: 355 Skipped: 540



ANSWER CHOICES	RESPONSES	
What the water tastes like	10.42%	37
The quality of the water (e.g. that it's clean or if looks / smells / tastes a little unusual)	11.83%	42
The cost of the water bill	31.27%	111
The water pressure (e.g. the pressure coming out of the taps is too low / too high)	6.76%	24
Water not working (not coming out of the taps)	5.63%	20
Other	34.08%	121
TOTAL		355

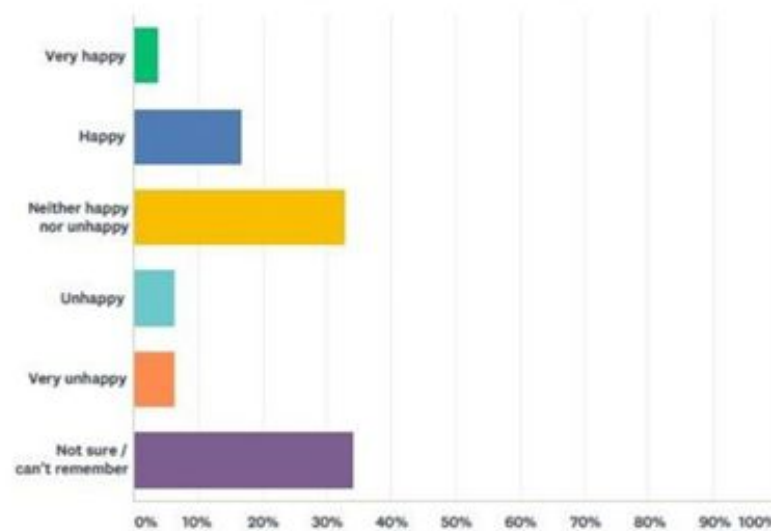
Other responses were mostly don't know or repeats of prompted responses



No strong opinions expressed about Affinity Water being discussed at home

Q11 If you have heard someone in your home talking about Affinity Water, do you think they were mostly:

Answered: 79 Skipped: 123



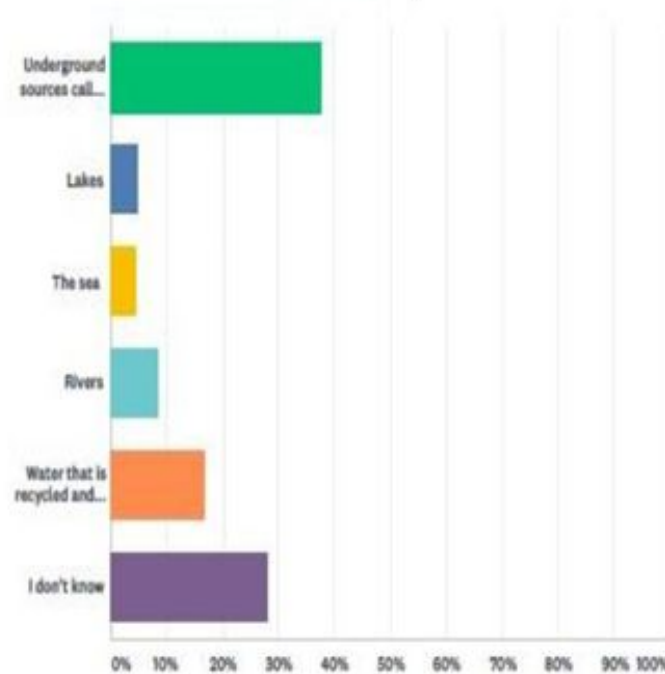
ANSWER CHOICES	RESPONSES	
Very happy	3.80%	3
Happy	16.46%	13
Neither happy nor unhappy	32.91%	26
Unhappy	6.33%	5
Very unhappy	6.33%	5
Not sure / can't remember	34.18%	27
TOTAL		79

WATER SUPPLY

Most think drinking water mostly comes from underground aquifers which is correct (60% comes from that source)

Q12 Where does most of our drinking water come from in the South East of England?

Answered: 641 Skipped: 254

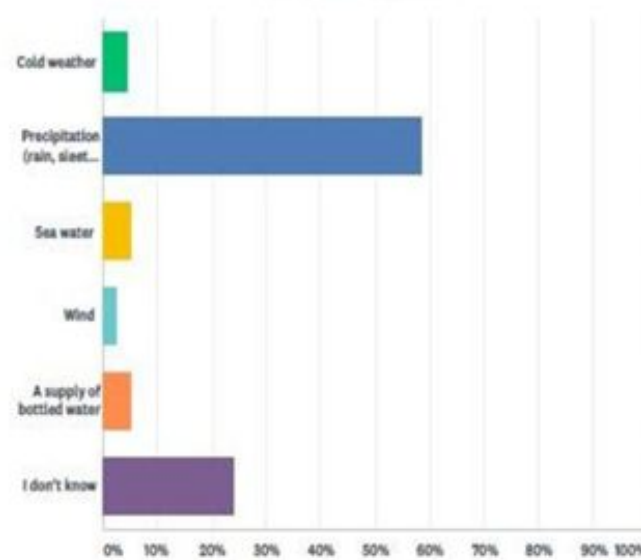


ANSWER CHOICES	RESPONSES	
Underground sources called aquifers	37.60%	241
Lakes	4.84%	31
The sea	4.68%	30
Rivers	8.42%	54
Water that is recycled and cleaned from waste water (sewage)	16.69%	107
I don't know	27.77%	178
TOTAL		641

Most think (correctly) that precipitation keeps aquifers topped up

Q13 What do we need to keep our aquifers (underground water sources) and rivers topped up?

Answered: 641 Skipped: 254

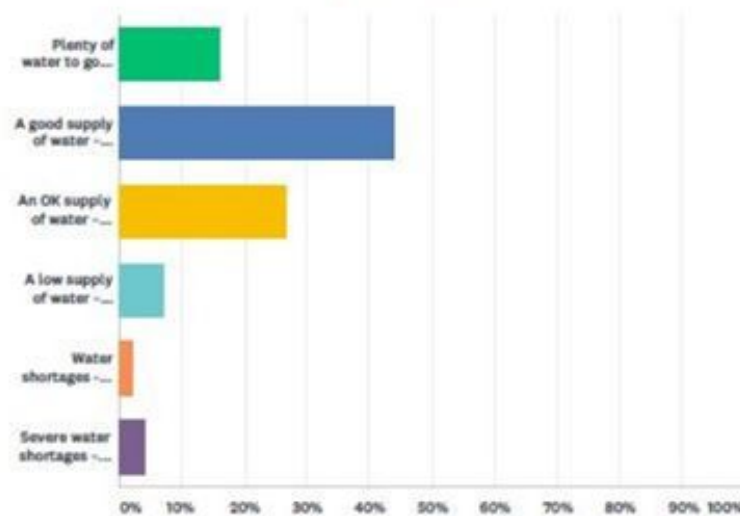


ANSWER CHOICES	RESPONSES	
Cold weather	4.68%	30
Precipitation (rain, sleet, hail, snow)	58.35%	374
Sea water	5.30%	34
Wind	2.50%	16
A supply of bottled water	5.15%	33
I don't know	24.02%	154
TOTAL		641

Nearly 60% consider there is a plentiful or good supply of water.

Q14 The water supply in this region (Southeast of England) comes from rivers (40%) and from water stored in rocks underground called aquifers (60%). How much water do you think we have available for people to use in this region?

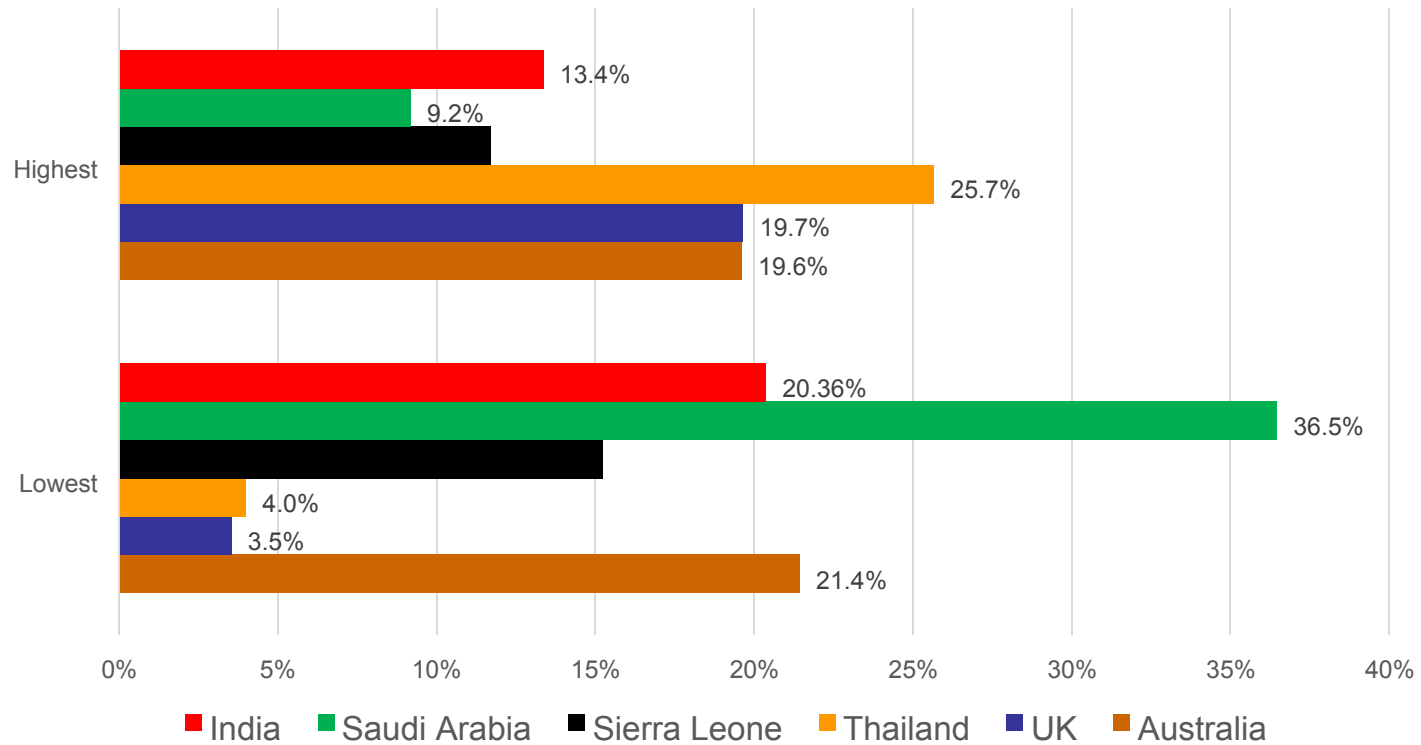
Answered: 641 Skipped: 254



ANSWER CHOICES	RESPONSES
Plenty of water to go around – enough for everyone to use as much as they like at any time	16.07% 103
A good supply of water – people can use it freely but they don't really have to think about it	43.68% 280
An OK supply of water – people can use it but everyone needs to be careful with how much they use	26.83% 172
A low supply of water – people can use it but must be careful with how much they use	7.18% 46
Water shortages - people can use it but must be very careful with how much they use and make a big effort to reduce their water usage	2.18% 14
Severe water shortages – there is not enough water for everyone to use, so there will be water restrictions (e.g. hose pipe bans) and water will need to be shared very carefully (e.g. daily limits on how much people can use)	4.06% 26
TOTAL	641

20% think the UK has the highest rainfall, compared with 26% for the top answer Thailand (*actually the second wettest behind Sierra Leone*). 4% think that UK has the lowest rainfall – top answer is Saudi Arabia (*which is correct*) at 37%.

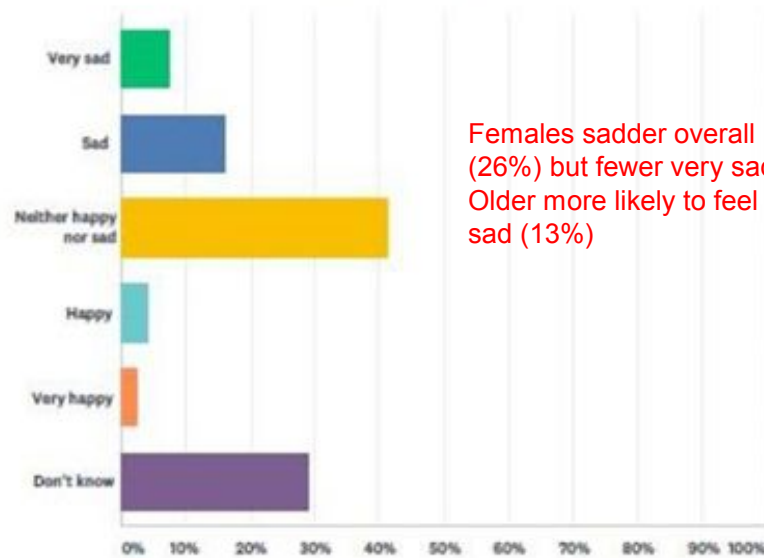
Q15 Order these countries from lowest to highest rainfall (1 is low and 6 is high) Answered: 641 Skipped: 254



No strong opinions on South East of England population vs. rainfall issue, but some sadness expressed

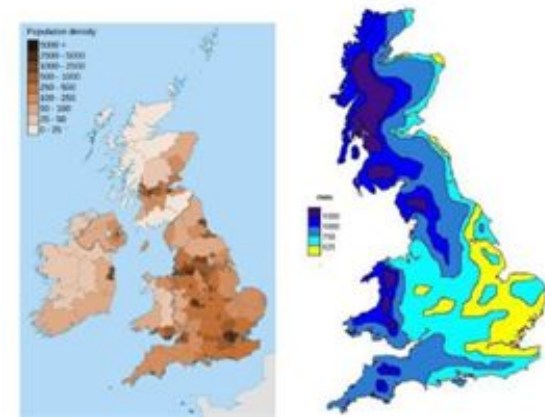
Q16 The rainfall and population density maps that you are about to see, show that the South East of England gets the least rainfall, but it also has the highest population. How do you feel about this?

Answered: 641 Skipped: 254



Females sadder overall (26%) but fewer very sad. Older more likely to feel very sad (13%)

Population density vs. rainfall distribution

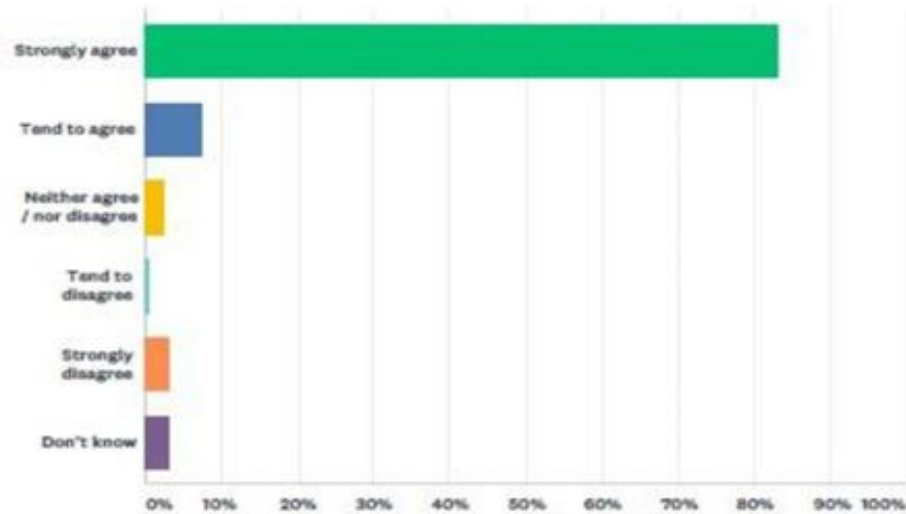


ANSWER CHOICES	RESPONSES	
Very sad	7.49%	48
Sad	15.91%	102
Neither happy nor sad	41.19%	264
Happy	4.21%	27
Very happy	2.34%	15
Don't know	28.86%	185
TOTAL		641

Very strong agreement with need for access to clean water

Q18 How much do you agree / disagree with this statement: "It is important for people (including me) to have access to clean and safe water."

Answered: 528 Skipped: 367

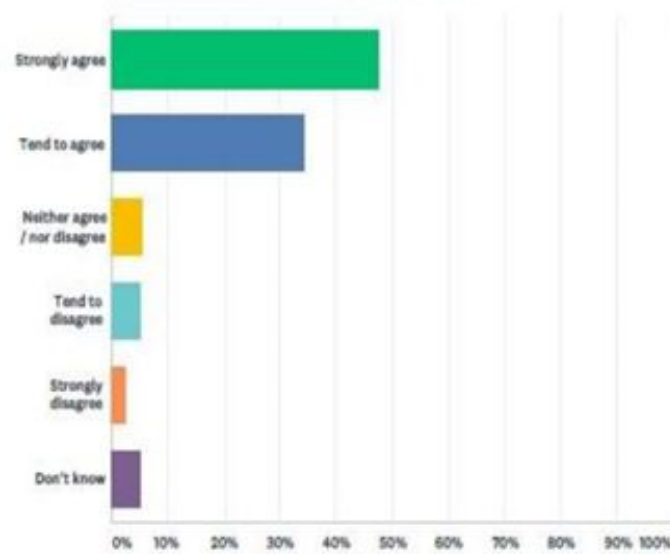


ANSWER CHOICES	RESPONSES	
Strongly agree	82.95%	438
Tend to agree	7.58%	40
Neither agree / nor disagree	2.48%	13
Tend to disagree	0.57%	3
Strongly disagree	3.22%	17
Don't know	3.22%	17
TOTAL		528

Vast majority see the water supply as reliable but 7% disagree.

Q21 How much do you agree / disagree with this statement: "My water supply always works and flows through to my taps at home."

Answered: 528 Skipped: 367

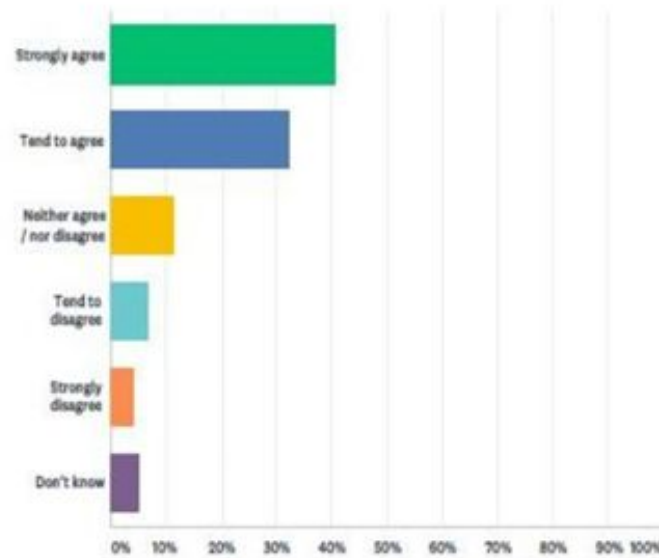


ANSWER CHOICES	RESPONSES	
Strongly agree	47.54%	251
Tend to agree	34.28%	181
Neither agree / nor disagree	5.49%	29
Tend to disagree	5.11%	27
Strongly disagree	2.27%	12
Don't know	5.30%	28
TOTAL		528

There is broad trust in the quality of water but 11% disagree

Q22 How much do you agree / disagree with this statement: "I trust the quality of water I receive in my home or at school."

Answered: 528 Skipped: 367

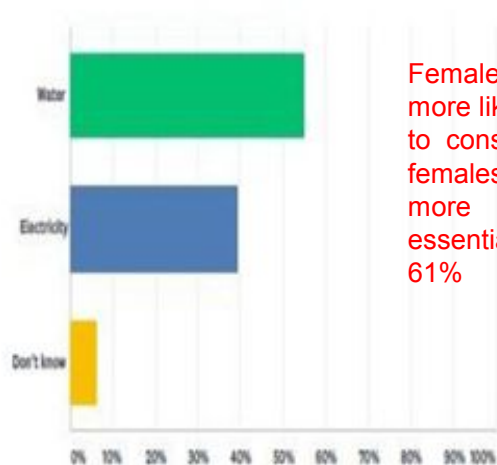


ANSWER CHOICES	RESPONSES	
Strongly agree	40.53%	214
Tend to agree	32.39%	171
Neither agree / nor disagree	11.36%	60
Tend to disagree	6.63%	35
Strongly disagree	3.98%	21
Don't know	5.11%	27
TOTAL		528

Water is considered to be more essential than electricity, especially over a longer period

Q23 Which do you think you would struggle most to live without for one day?

Answers: 528 Skipped: 367

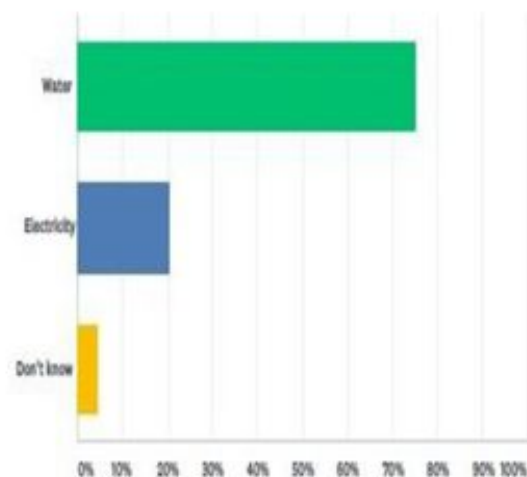


Females more likely to consider females more essential 61%

ANSWER CHOICES	RESPONSES	
Water	54.73%	289
Electricity	38.20%	207
Don't know	6.06%	32
TOTAL		528

Q24 Which do you think you would struggle most to live without for one week?

Answers: 528 Skipped: 367

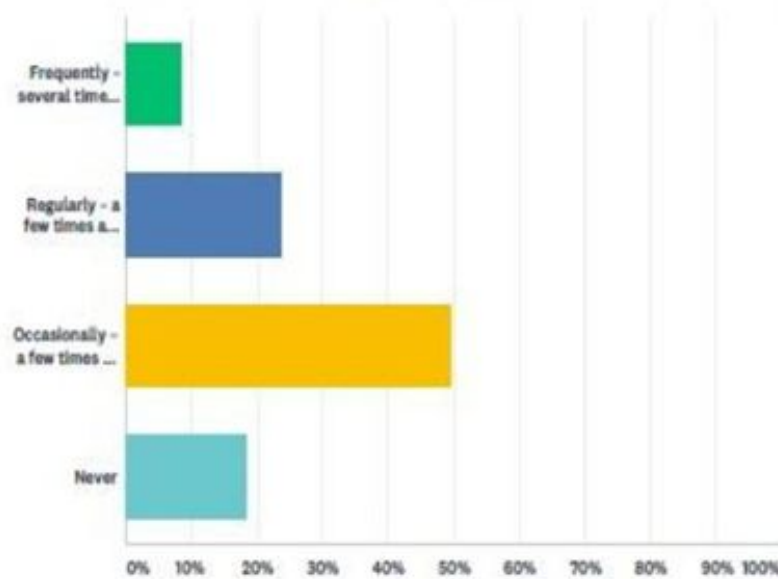


ANSWER CHOICES	RESPONSES	
Water	75.19%	397
Electricity	20.27%	107
Don't know	4.55%	24
TOTAL		528

Over 30% visit the water environment regularly but nearly one fifth never do so

Q25 How often, if at all, do you visit any part of the water environment e.g. rivers, canals, lakes, reservoirs, estuaries and water around the coast?

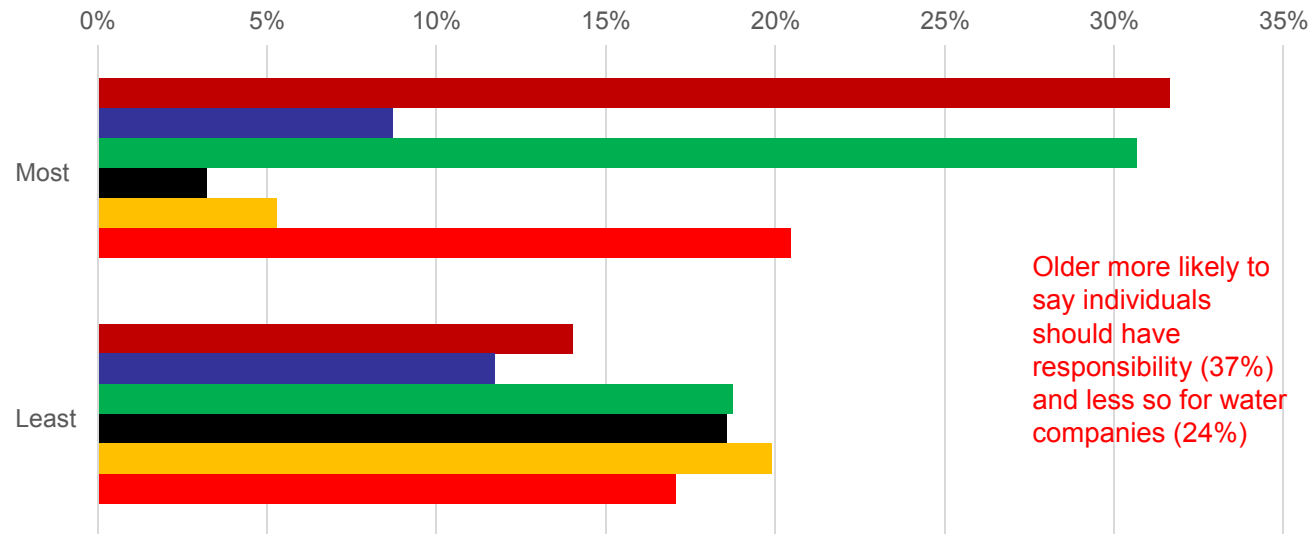
Answered: 528 Skipped: 367



ANSWER CHOICES	RESPONSES	
Frequently – several times a day / week	8.52%	45
Regularly – a few times a month	23.67%	125
Occasionally – a few times a year	49.62%	262
Never	18.18%	96
TOTAL		528

Water companies and individuals are considered to be the most responsible for reducing water use

Q26 Whose responsibility do you think it is to reduce the amount of water that people use? Least and most responsibility



Older more likely to say individuals should have responsibility (37%) and less so for water companies (24%)

■ Water companies
 ■ Environmental Groups
 ■ Individuals
■ Businesses
 ■ Schools
 ■ Government

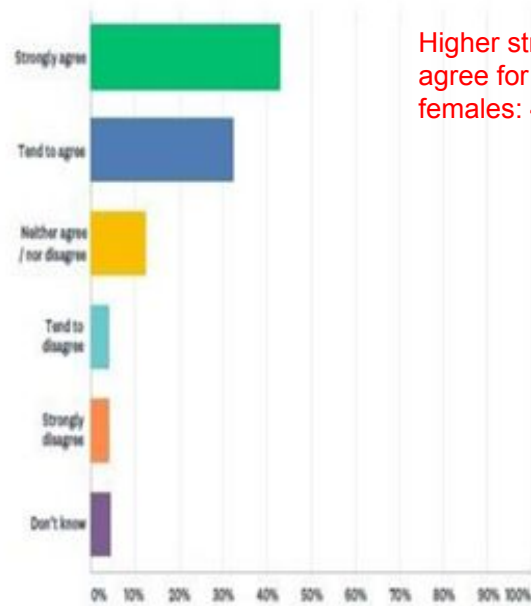
	1 - THE GROUP WHO SHOULD HAVE MOST RESPONSIBILITY	2	3	4	5	6 - THE GROUP WHO SHOULD HAVE LEAST RESPONSIBILITY	TOTAL
Water companies	31.53% 167	26.14% 138	12.85% 68	7.39% 39	7.95% 42	14.02% 74	528
Environmental groups (e.g. The Rivers Trust)	8.71% 46	26.52% 140	21.97% 116	16.25% 86	14.77% 78	11.74% 62	528
Individuals i.e. the people who are using the water	30.68% 162	12.88% 68	18.56% 98	11.93% 63	7.20% 38	18.75% 99	528
Businesses	3.22% 17	8.33% 44	14.58% 77	28.98% 153	26.33% 139	18.56% 98	528
Schools	5.30% 28	10.61% 56	14.58% 77	19.13% 101	30.49% 161	19.89% 105	528
The government	20.45% 108	15.53% 82	17.42% 92	16.29% 86	13.26% 70	17.05% 90	528



Strong agreement with the need to save water

Q19 How much do you agree / disagree with this statement: "It is important for people (including me) to save water / use less water."

Answered: 528 Skipped: 367



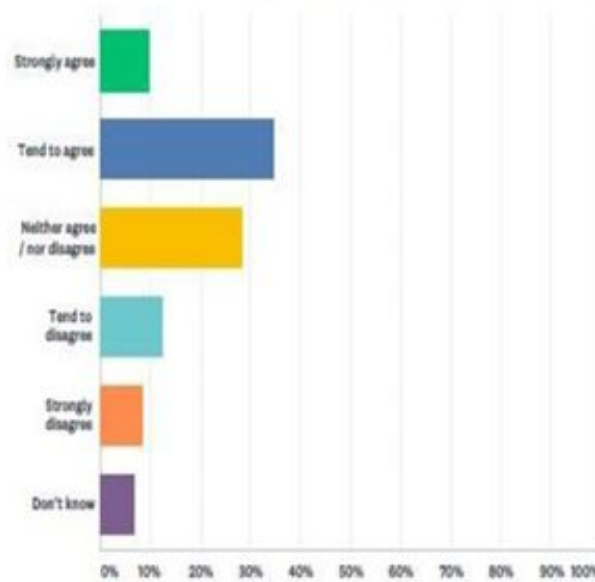
Higher strongly agree for females: 48%

ANSWER CHOICES	RESPONSES	
Strongly agree	42.80%	228
Tend to agree	32.20%	170
Neither agree / nor disagree	12.50%	66
Tend to disagree	3.90%	21
Strongly disagree	3.90%	21
Don't know	4.50%	24
TOTAL		528

There is only a tendency to agree about actually respondents being careful about their water use

Q20 How much do you agree / disagree with this statement: "I am careful about how much water I use."

Answered: 528 Skipped: 367

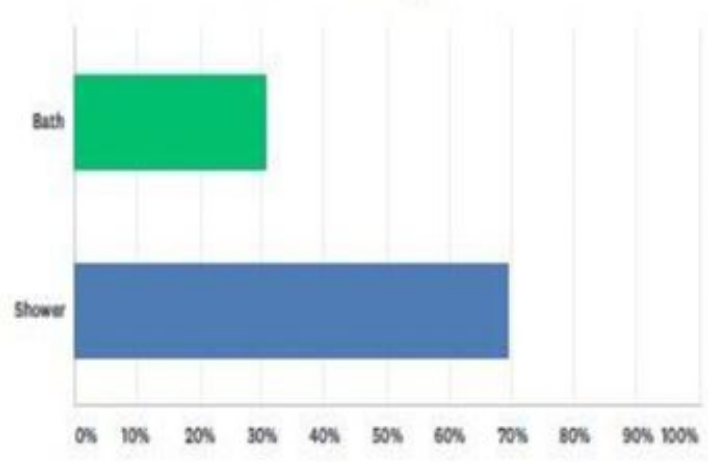


ANSWER CHOICES	RESPONSES	
Strongly agree	9.66%	51
Tend to agree	34.66%	183
Neither agree / nor disagree	28.22%	149
Tend to disagree	12.50%	66
Strongly disagree	8.33%	44
Don't know	6.63%	35
TOTAL		528

Over two-thirds consider themselves a shower person.

Q28 Are you a bath or a shower kind of person?

Answered: 512 Skipped: 383



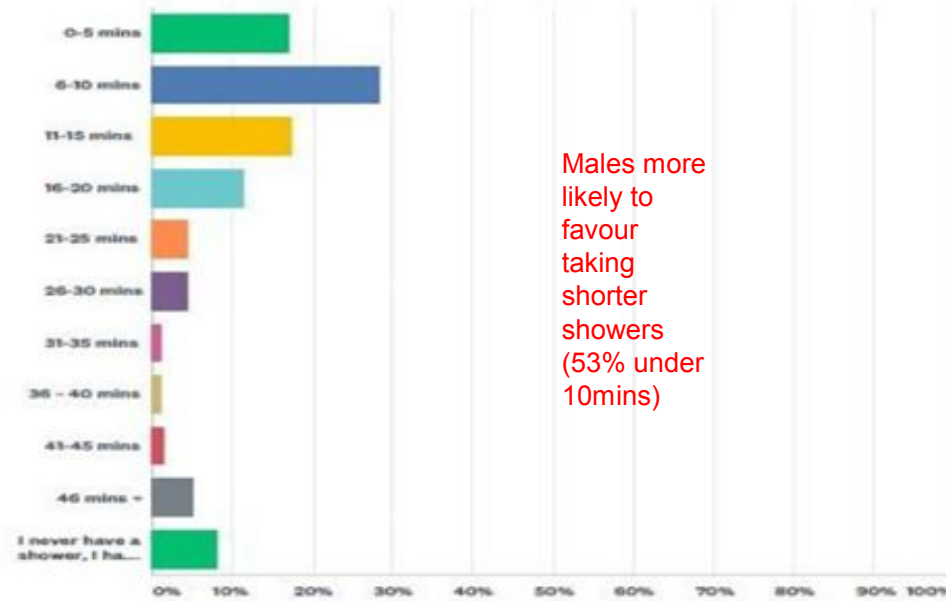
Females more likely favour baths (34%). Older more likely to favour showers (82%)

ANSWER CHOICES	RESPONSES	
Bath	30.47%	156
Shower	69.53%	356
TOTAL		512

The average time spent in the shower is highly variable with 5% spending more than 45 minutes and an average of around 15 minutes.

Q29 How long (on average), do you spend in the shower?

Answered: 512 Skipped: 363



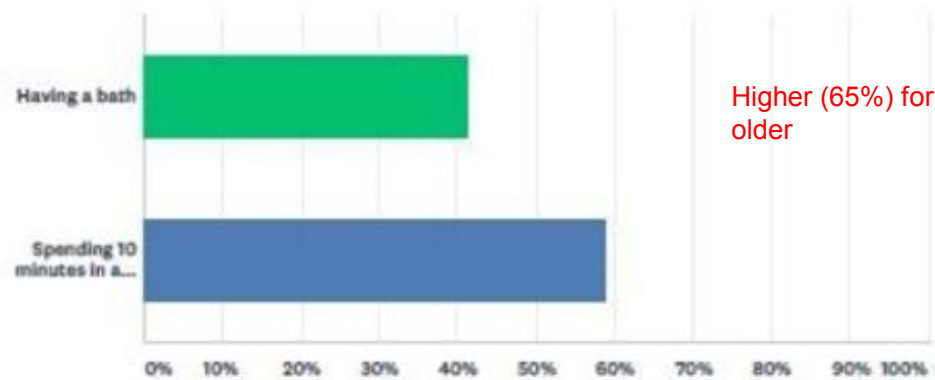
Males more likely to favour taking shorter showers (53% under 10mins)

ANSWER CHOICES	RESPONSES	
0-5 mins	17.19%	88
6-10 mins	28.32%	145
11-15 mins	17.38%	89
16-20 mins	11.52%	59
21-25 mins	4.49%	23
26-30 mins	4.30%	22
31-35 mins	0.98%	5
36 - 40 mins	1.17%	6
41-45 mins	1.37%	7
46 mins +	5.08%	26

Three-fifths know that a 10 minute power shower uses more water than a bath

Q38 What do you think uses more water?

Answered: 512 Skipped: 383

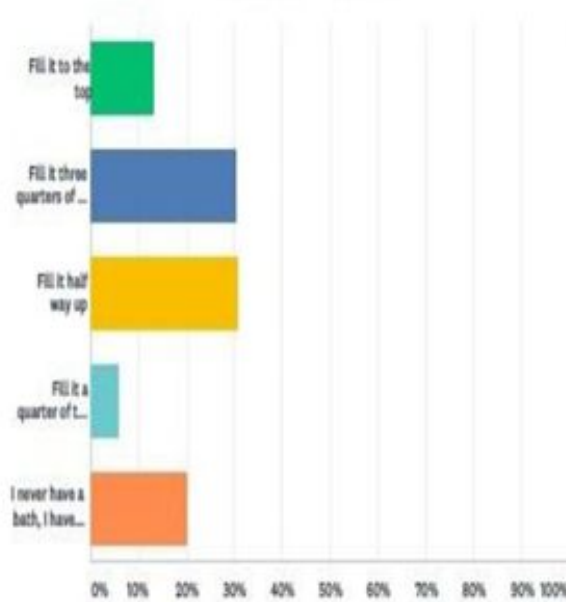


ANSWER CHOICES	RESPONSES	
Having a bath	41.21%	211
Spending 10 minutes in a power shower	58.79%	301
TOTAL		512

Most fill the bath half or three quarters but some stating to the top

Q30 When taking a bath, do you...?

Answered: 512 Skipped: 383

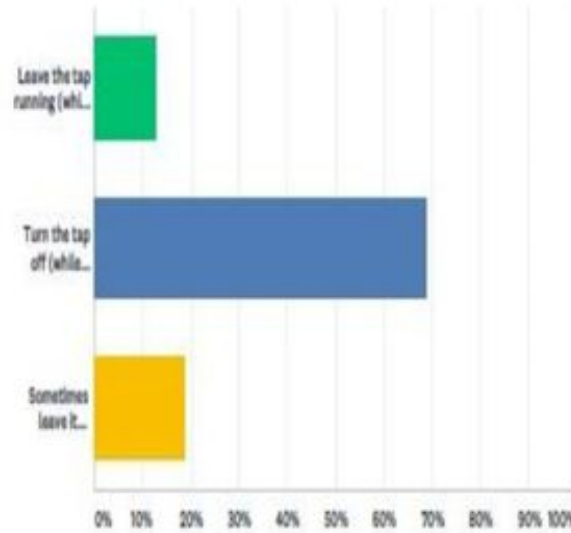


ANSWER CHOICES	RESPONSES
Fill it to the top	13.09% 67
Fill it three quarters of the way up	30.27% 155
Fill it half way up	30.66% 157
Fill it a quarter of the way up	5.86% 30
I never have a bath, I have a shower instead	20.12% 103
TOTAL	512

Over two-thirds claim to turn off the tap while brushing teeth

Q31 When brushing your teeth, do you...?

Answered: 512 Skipped: 383

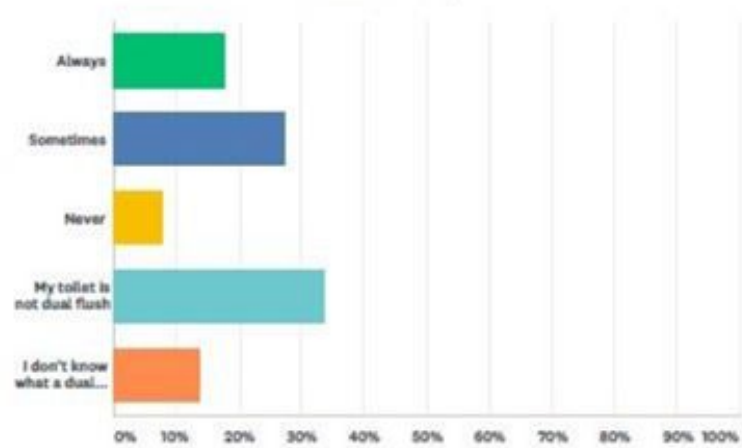


ANSWER CHOICES	RESPONSES	
Leave the tap running (while you're brushing)	12.70%	65
Turn the tap off (while you're brushing)	68.55%	351
Sometimes leave it running, sometimes turn it off	18.75%	96
TOTAL		512

Of the respondents who have a dual flush and know about it, most use it at least sometimes

Q32 At home, if your toilet has a dual flush (an option to use a smaller flush), do you use it?

Answered: 512 Skipped: 363



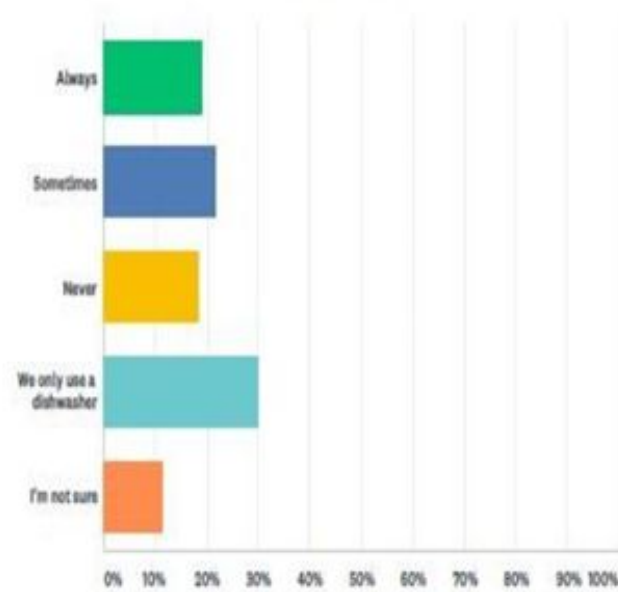
Males more likely to use dual flush (20% always)

ANSWER CHOICES	RESPONSES	
Always	17.56%	90
Sometimes	27.15%	139
Never	7.81%	40
My toilet is not dual flush	33.59%	172
I don't know what a dual flush toilet is	13.87%	71
TOTAL		512

Mixed picture on washing dishes (bowl vs. running tap).

Q33 When washing the dishes, do you fill a sink or a washing up bowl full of water? (rather than washing the dishes under a running tap)

Answered: 512 Skipped: 363

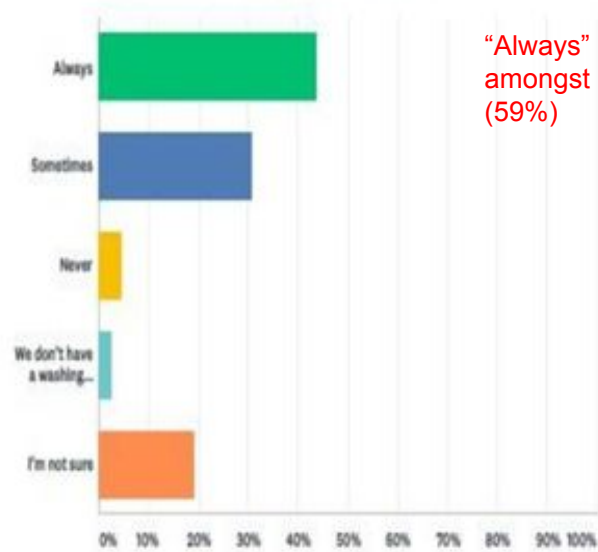


ANSWER CHOICES	RESPONSES	
Always	18.95%	97
Sometimes	21.48%	110
Never	18.36%	94
We only use a dishwasher	29.88%	153
I'm not sure	11.33%	58
TOTAL		512

Washing machines are usually used with a full load

Q34 Do you use the washing machine only with a full load of clothes?

Answered: 512 Skipped: 383



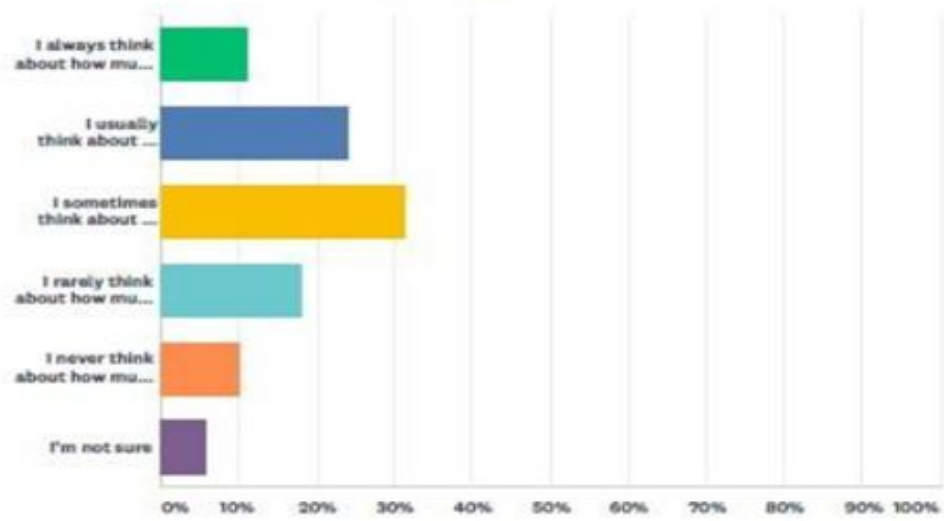
“Always” higher amongst older (59%)

ANSWER CHOICES	RESPONSES	
Always	43.55%	223
Sometimes	30.47%	156
Never	4.49%	23
We don't have a washing machine	2.34%	12
I'm not sure	19.14%	98
TOTAL		512

Over two-thirds think about how much water they use, but many only occasionally

Q35 Do you think or care about how much water you are using?

Answered: 512 Skipped: 383

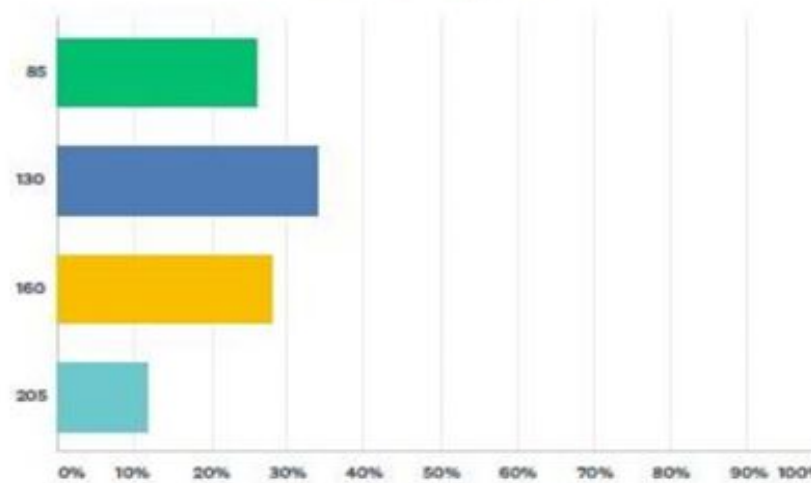


ANSWER CHOICES	RESPONSES	
I always think about how much water I am using	11.13%	57
I usually think about how much water I am using	24.02%	123
I sometimes think about how much water I am using	31.25%	160
I rarely think about how much water I am using	17.97%	92
I never think about how much water I am using	9.96%	51
I'm not sure	5.66%	29
TOTAL		512

Most think average water use is 130 litres per day (close to the correct answer of 160 litres per day) - but with a wide spread

Q37 How many litres of water do you think one person in the South East of England uses in one day (on average)?

Answered: 512 Skipped: 363



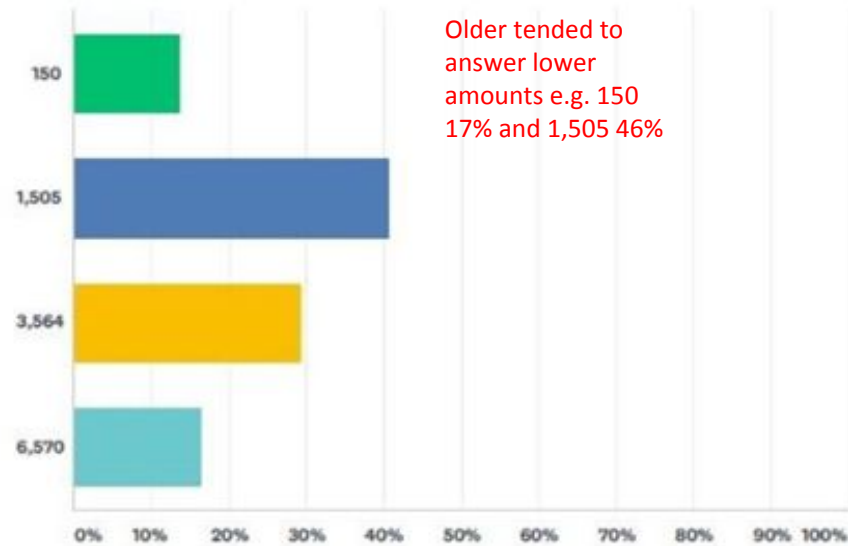
Females and Older gave more mid-range answers (38%/38% 130L, 30%/31% 160L)

ANSWER CHOICES	RESPONSES	
85	26.17%	134
130	33.98%	174
160	28.13%	144
205	11.72%	60
TOTAL		512

The most popular response (40%) was 1,305 litres is saved annually when turning off tap whilst brushing (*actual answer 6,570 litres*)

Q39 How many litres of water do you think you can save in one year by turning off the tap when brushing your teeth?

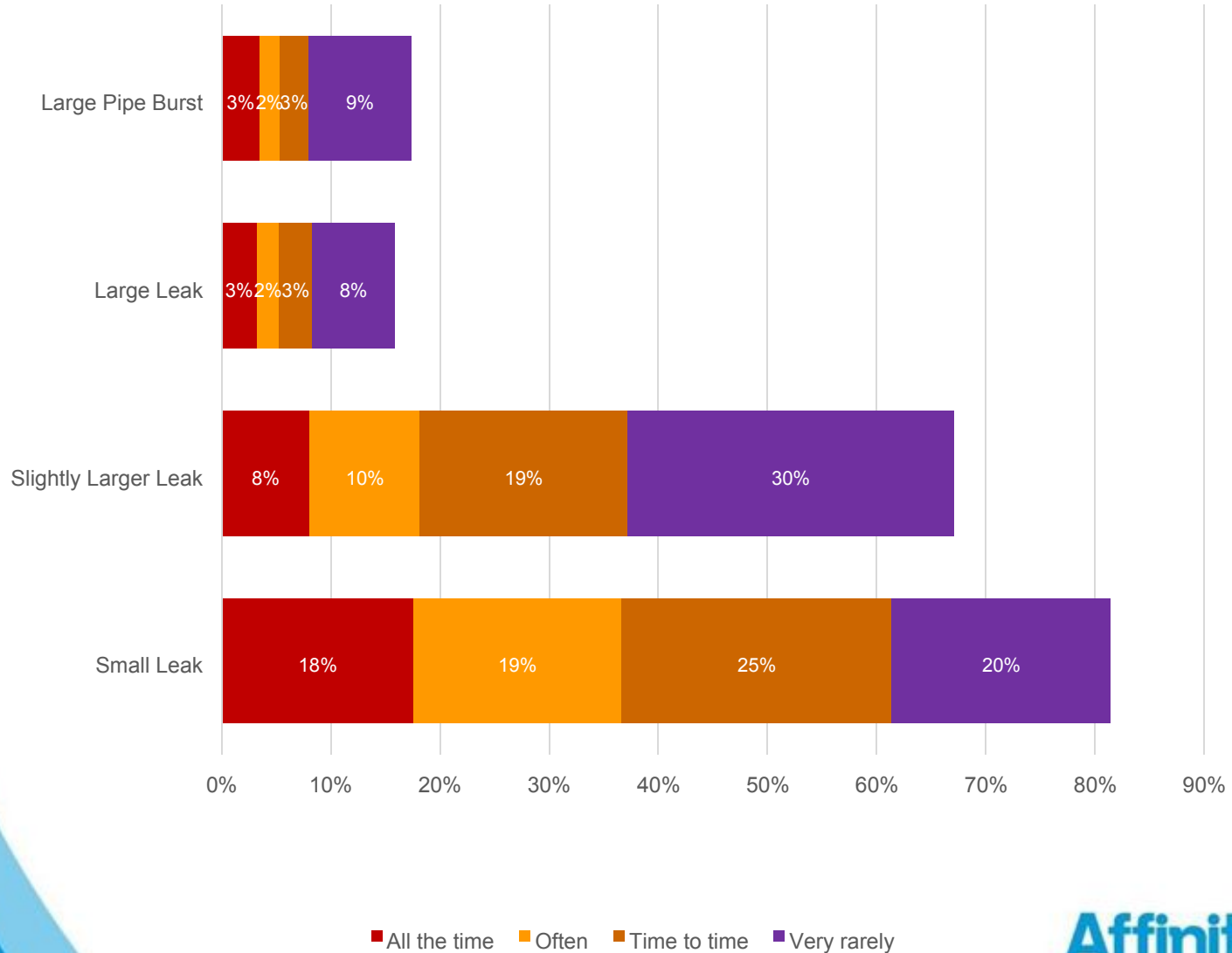
Answered: 512 Skipped: 383



ANSWER CHOICES	RESPONSES	
150	13.67%	70
1,505	40.63%	208
3,564	29.30%	150
6,570	16.41%	84
TOTAL		512

Most claim to have seen some type of leak quite often or more and a small proportion large leaks/burst frequently.

Type of Leak Seen



Next steps

This market research is part of a wider customer engagement programme.

All of the findings from this programme will be brought together via a triangulation process which will:

- identify key feedback findings
- establish where/if further research is needed
- assess robustness and quality of feedback
- identify areas of corroboration
- identify areas of contradiction
- produce an analysis of findings
- make recommendations.

The recommendations will then inform the final versions of the Business and Water Resources Management Plans.

Appendix EC.C3.3

Action ref AFW.EC.C3

Business Plan qualitative research



Ipsos MORI
Social Research Institute

ARUP

May 2018

Draft Business Plan research

Qualitative research – report

Ben Marshall, Paul Carroll and Kimberley Rennick

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Executive summary

Executive summary

Methodology and background

- Ipsos MORI was commissioned by Affinity Water to engage customers with drafts of the Business Plan 2020-2025, to collect insights about customers' priorities and opinions for the business plan.
- Ten focus groups were conducted with existing and future customers during April 2018, testing three different potential iterations of the business plan content.
- This qualitative study forms part of a wider programme of engagement and market research – including a quantitative survey of customers to test acceptability and a formal consultation. The survey will measure *how many* find each Plan acceptable, the focus here is *why*.

Context

- Participants took water supply for granted, assumed it would always come out of their taps, and admitted giving little more thought to it.
- They knew little about Affinity Water beyond the name – water formed a relatively small part of their household utility bills and direct contact with Affinity Water beyond billing was rare.
- As customers, they felt they had little autonomy over their water supply or billing – this is fine with participants, as they felt Affinity Water delivered a reasonable service – but also means they were disengaged from wider issues around water supply and Affinity Water, with little incentive to find out more.

Priorities

- Protecting the environment was a key priority for participants; this was a tangible issue that they were aware of from various aspects of their lives.
- Another priority was keeping bills as low as possible; while a small part of household bills, customers were keen to see this kept as low as possible with minimal, if any, increases.
- Fixing leaks was another major priority – participants believed this could aid the other two priorities through reducing water loss and damage to the environment, as well as making water supply more efficient and so reducing bills.

- Supporting people to save water, particularly through improved communications, was highlighted as another priority that would aid both environmental sustainability and keeping costs low for customers.
- Participants also stressed the importance of good customer service, especially when they needed to directly contact Affinity Water.

Plans

- Participants struggled to fully comprehend the data presented in the plans. The data was neither familiar nor intuitive – for instance, there were different takes on what the leakage data meant – and groups worked collectively through these, self-correcting misunderstandings and posing questions.
- Furthermore, participants struggled to make sense of the figures presented, without any context. Often participants were unsure how to judge monetary amounts – it wasn't clear to them whether £2 million was "a lot" in context of other costs.
- All three plans were broadly deemed acceptable, with no major concerns raised by participants.
- There was, however, an abiding sense of scepticism about all three – the idea of being able to improve outcomes and reduce billing seemed counterintuitive to customers.
- Again, we saw an emphasis on the importance of fixing leaks and environmental protection as the key issues participants focussed on when discussing each of the proposed plans.
- There were questions around the issue of reducing personal water use:
 - How could this be monitored and enforced?
 - Why should customers have to reduce their water use when companies such as Affinity Water waste far more through leaks?
- **Plan J:** This was seen as the most practically achievable and realistic of the plans, but also the least impressive. This plan was preferred by 16 out of 87 participants.
- **Plan K:** This was recognised as having strong environmental credentials, but could do better in terms of cost savings. This plan was preferred by 18 out of 87 participants.
- **Plan L:** This was seen as the most aspirational of the plans and the one customers felt Affinity Water should be striving for, though there were questions about how achievable it is, or whether it seemed "too good to be true." This plan was preferred by 53 out of 87 participants.

- The tallies should be considered as illustrative; the Business Plan ('acceptability') survey will allow more statistically-based conclusions to be drawn.

Conclusions

Customers' knowledge is limited

- Participants had little background knowledge of Affinity Water, and water supply in general. This meant that they struggled to understand some areas of the Business Plan, which to some extent, limited their ability to make choices about the options and decisions facing Affinity Water.

Customers are receptive to becoming more engaged

- Customers would welcome the opportunity to be more engaged and proactive in managing the use of their water. They said that they would like Affinity Water to support them to save water, particularly through improved communications and further exploring the possibilities provided by metering.

Customers prioritise areas where they can envisage tangible improvements for the environment, and for themselves as customers

- When thinking about what to prioritise, it was important for participants to have a clear understanding about how suggested improvements would be achieved and how they would work. Customers' priorities tend to focus on being more environmentally friendly or improving the customer experience. Some priorities, namely fixing leaks and supporting customers to save water, were popular in customers' eyes because they were recognised as providing both environmental (social) and individual (customer) benefits.

All of the plans are broadly acceptable

- Though participants identified preferences within and between the plans, all were seen to be broadly acceptable, and an improvement on the current situation. Nevertheless, customers were keen to say that all of the plans would benefit from as strong a commitment to fixing leaks as was possible.

Background and methodology

Background and methodology

Background

Ipsos MORI was commissioned by Affinity Water to undertake a qualitative research study as part of a series of work being undertaken to support the development of their Business Plan for the period 2020-2025. The aim of the study was to understand customer opinion and priorities in respect of the draft Business Plan, and to explore their preferences with regard to some different options. This research supplements a survey designed to test acceptability of different packages of options and takes place alongside Affinity Water's formal consultation, reaching out through quota sampling to customers unlikely to respond to the consultation.

Research objectives

There were three main objectives:

- Exploring customers' understanding and experience of Affinity Water services
- Collecting insights about customers' priorities and opinions for the business plan
- Testing acceptability of different packages of options and exploring preferences

Methods

The study comprised ten focus group discussions undertaken during April 2018 – eight with Affinity Water customers and two with future customers to understand the different perspectives of this segment. The future customers groups covered the same areas as the customer groups but were slightly shorter.

Participants were sampled to include a range of ages and social grades, as indicated below.

The moderator obtained informed consent from the participants at the beginning of the focus group. All customers received £50 as a "thank you" for participating in the research.

Interpreting qualitative findings

Qualitative research is illustrative, detailed and exploratory. It offers insight into the perceptions, feelings, and behaviours of people rather than quantifiable conclusions from a statistically representative sample.

Much of the evidence in this report is based on participants' perceptions. It is important to remember that even though some perceptions may not be factually accurate, they represent 'the truth' to the participants and as such, are vital in understanding their attitudes and views.

N.B. **ABC1** denotes recruits who live in a household whose Chief Income Earner (CIE) is employed in managerial, administrative or professional occupations. **C2DE** means households whose CIE works in skilled or unskilled manual workers or dependent on state benefit.

Location	Recruitment quotas	Duration	No. of participants
Chertsey and Addlestone (Surrey)	Group 1: 55+ ABC1	2 hours	10
	Group 2: 35-54 C2DE	2 hours	10
Hatfield (Herts)	Group 3: Future customers (primarily students at university)	1.5 hours	10
	Group 4: Future customers (primarily on those aged 18-34 and living with their parents)	1.5 hours	7
Saffron Walden (Essex)	Group 5: 55+ ABC1	2 hours	9
	Group 6: 35-54 ABC1	2 hours	9
Watford (Herts)	Group 7: 55+ C2DE	2 hours	8
	Group 8: 35-54 ABC1	2 hours	8
Luton (Beds)	Group 9: 35-54 C2DE	2 hours	8
	Group 10: 18-34 ABC1	2 hours	8

Context

Context

- Customers took their water supply for granted; it is an essential aspect of everyday life but also an 'invisible' service.
- There was little personal contact with Affinity Water and only weak association of the company with any particular brand or image.
- A lack of autonomy over water supply left customers feeling disempowered – this was not viewed as a problem but did lead to disengagement.
- There were low levels of knowledge about both Affinity Water and water supply in general across all groups, but particularly among future customers.

Disempowered and disengaged

Across the groups, we found participants who thought little about their water supply – it wasn't something that they spent much time engaging with beyond trusting and assuming water would come out of the tap. As water was understood to be a basic and fundamental need, it was something that customers took for granted in everyday life. Water was described as a more distant and intangible utility than gas or electricity, as being unable to read their own meter or choose their own supplier meant that customers were less empowered than when dealing with other utilities. Furthermore, as water bills are considerably lower than for other utilities, it was not considered a particularly significant household cost and this meant it required little everyday attention.

"You're forced to be their customer anyway so what's the point? You have no choice of who you go with so even if you don't agree with them, you're still forced to go with them. They're not trying to sell themselves because they're already sold to you."

Hatfield, future customers

Despite this, customers were not unhappy in principle with their lack of choice over their water supplier. As long as there wasn't a problem, water supply was something that they admitted taking for granted. Affinity Water itself was considered to be an 'invisible' brand – customers would generally only have contact with them in the event of something going wrong. The company wasn't associated with any particular brand or image, and participants were unlikely to have had any personal contact. This was typically perceived as a neutral rather than a negative thing, although participants did indicate later on in

the discussions that they would like to receive more information from Affinity Water, particularly around saving water.

"I know very little about them. That might be a good thing because I'm not ringing up to complain. I don't know. Do they do any PR?"

Saffron Walden, 55+, ABC1

Lack of knowledge

Participants exhibited a very low level of knowledge, both about Affinity Water and about their water supply in general. This was the case across the groups, but particularly pronounced within the younger and future customer groups. All had heard of Affinity but there was little awareness of the company and what it does beyond supplying water.

Participants across the groups were able to recall very little top of mind knowledge about Affinity Water – this was not a subject that they thought about very much. There was limited knowledge of where Affinity Water operates and the regions it covers. When pressed, there were some hesitant recollections of things that participants did know, for instance memories of the companies they thought might be related to Affinity Water or have been predecessors, such as Three Rivers and Veolia. Bill paying participants were typically aware that sewerage was a separate service, though if they paid by direct debit this was less obvious.

"It's hard to tell, I only know what I pay monthly including the sewerage and I don't have a clue about that."

Watford, 35-54 ABC1

Within the groups with future customers there was very little knowledge about the distinction between clean water supply and sewerage services. Again, this was not something that people had thought about before. When sewerage was mentioned, they assumed it would probably be the same company dealing with both.

Across the groups there was general surprise at the bill levels presented, in particular the projection of declining bills up until 2019/20 and Affinity Water's comparison with the industry average. Participants noted that the costs indicated on the stimulus material were lower than those they recalled from their actual bills. This confusion may have been a result of the way the sewerage and clean water components are presented on the bill.

Those in the future customers group who had not been involved in bill paying before, really had no idea about how much water costs, or other bills for that matter so it was very difficult for them to consider the figures in any kind of context.

"If someone said £179 a month I wouldn't think about it."

Hatfield, future customers

There was however, less surprise at household water consumption being higher in Affinity Water's area than elsewhere. Customers noted the relative affluence of the South East compared to other parts of the country and cited this as a possible explanation for the higher water use. Some also noted that they lived in drier areas and areas where people had larger gardens and kept animals – both of which would increase their water consumption.

"I'm thinking in a gardening sense, we get the hosepipes out more because it's genuinely drier. We are in a dry area."

Saffron Walden, 55+, ABC1

Customer priorities

Customer priorities

- Customers were broadly satisfied with the current service from Affinity Water.
- Protecting the environment was prioritised, particularly among older groups.
- Saving money and good customer service was a priority within younger groups.
- Fixing leaks was the number one priority across all groups – and was understood to have positive benefits both for the customers and the environment.

Generally satisfied with the status quo

Customers were generally happy with the service that they received and with the bills that they paid for this service. As mentioned previously, water is a somewhat 'invisible' service – participants used water every day for all sorts of things, but so long as their supply wasn't being interrupted they didn't think much more about it.

"I can't fault them because I turn the tap on and it comes out."

Chertsey, 55+, ABC1

Similarly, given that the cost of clean water is low in comparison to other day-to-day expenditure or other utilities, participants were not dissatisfied with how much they were currently paying.

"I don't care what they do, my bill doesn't seem to change. It's all very nice but if they keep my bill what it is now, and they're doing things better, I'm happy with that."

Chertsey, 55+, ABC1

Maintaining infrastructure, and fixing leaks was considered the number one priority

Customers spontaneously identified maintaining infrastructure as a key priority area. It was highlighted in older groups that there were lots of new housing developments and participants were concerned that the water infrastructure would need to be able to cope with the subsequent increased demand. Participants also noted that existing pipes were probably old, and expressed concern as to how much longer they would last.

“I wonder whether the infrastructure is up to date. Do the pipes need updating? Sooner or later they’ll break, or leak and I presume that’s to do with how old the pipes are.”

Luton, 35-54, C2DE

There was awareness within the groups that leaks were an issue which cause a lot of water waste, though participants did not default to considering this to be the fault of Affinity Water but, instead, talked about the age of the pipes and infrastructure. They also recognised that some work was taking place to rectify this situation, but did not think that this was enough.

“Conservation. There’s a lot of waste. They’re replacing pipes, but a lot of our supply ends up in the ground and not our houses.”

Chertsey, 55+, ABC1

There was frustration expressed in some cases where participants felt that fixing and replacing pipes had taken too long. Participants suggested that Affinity Water needed to be proactive in dealing with the situation as quickly as possible. As such, repairing and replacing pipes efficiently and effectively was prioritised as an important component of a future Business Plan.

“Repair pipes more efficiently so you don’t waste so much water. Do it straight away instead of letting it run for days. It should be within so many hours.”

Watford, 55+, C2DE

Although customers had spontaneously identified that leaks were an issue, they expressed shock and surprise when shown data which quantified how much water was being lost this way. None anticipated the scale of this problem. Seeing that the amount of water being lost was more than participants expected, increased the urgency and importance they attached to fixing leaks. Of everything that was presented and discussed at the groups, the figures for water lost through leaks drew the strongest reaction. This issue was returned to time and time again and framed subsequent conversations about ways to save water.

As such, this area was the most prioritised in all groups – not least because it appealed both to those who were more concerned about the environment and those who were more concerned about saving money.

Environmental sustainability

Across the groups, participants made reference to the importance of considering the environment as part of the business plan priorities. Within the younger, and future customers groups, the ideas about considering the environment tended towards being quite vague and theoretical. These participants were quick to make reference to the environment being important, but it was not clear that they had much

understanding about why using too much water was damaging to the environment, or how they could be more environmentally friendly. Though views were mixed, younger participants were also more likely to consider it primarily the responsibility of the company, rather than the consumer, to be environmentally friendly.

“I don’t know, they’re the scientists.”

Saffron Waldon, 35-54, ABC1

Nonetheless participants across the groups felt that they would benefit from more information from Affinity Water about how they could save water and be more environmentally friendly. Reasons for saving water were varied, and included potential money saving as well as environmental sustainability.

“It’s not advertised, you don’t hear about how to save water. What are the guidelines? What are the recommendations? What’s the duration of your shower? How much can you save by cutting it down?”

Hatfield, future customers

Where participants did have some ideas about water saving, or had received water saving devices from Affinity Water, this seemed to draw genuine interest from other participants – suggesting that there is an appetite for this kind of intervention, steps to make it easy for customers.

On the other hand, older, more affluent participants tended to talk in greater detail and make specific suggestions about how the environment could be prioritised. They spoke about recycling grey water, using bricks in toilets to reduce water in the cistern and working with developers to make new houses more efficient. These participants were likely to have the environment as their primary motivation for saving water, especially as they tended to be fairly comfortable with their bill, perceiving potential savings as fairly minimal anyway.

Discussions around the importance of conserving water served to highlight a tension between participants thinking of themselves as citizens with a responsibility to use water resources prudently, and as consumers, with the right to use a paid for service in whatever manner they chose. This relates to customers thinking of water as a basic necessity and taking their water supply for granted. In this sense, they did not necessarily think of themselves as water customers on a day-to-day basis when they were using water.

When faced with discussing water in terms of bills and thinking about the possibility of having their water use restricted, participants’ role as consumers came to the fore. Likewise, the other side of this was the tension between wanting Affinity Water to prioritise being an environmentally conscious provider, or to prioritise efficiency of service for the customer. This tension ran throughout the groups and was

apparent when participants were weighing up the pros and cons of each plan, and choosing between them.

Within the future customers groups in particular, participants exhibited a disconnect between being citizens and consumers. For example, while they felt environment was a key priority in the abstract, when it came to looking at the various priority areas their focus was clearly on those that affected their use of the service, such as cost and reducing interruptions to their supply. They placed less urgency on those areas which had benefits for the environment but less clear benefits for the individual consumer, such as sourcing water more sustainably. These participants also tended to have lower levels of knowledge about how water could be saved compared to older customers, who had made specific and detailed suggestions about saving water.

Customer service and keeping costs down

Customer service was a priority area across the groups, especially among the younger groups. Once again this reflected their view of themselves as consumers paying for a service.

“The customers. We should be the main priority, we pay for their service.”

Luton, 18-34, ABC1

Likewise, keeping costs low was mentioned frequently within the younger groups, though this seemed less of a priority for older and more affluent participants. For those who were concerned about the cost of water bills, this concern was driven by a number of factors. One of these was the desire to reduce their current bills, while another was the desire to avoid any, even small, increases. Where participants had made a conscious effort to save water, but had not seen any reduction in their bills, this led to some scepticism about the accuracy of billing.

“I’ve noticed it’s gone up in April, so I’ve been trying to save more. Personally, they don’t see what we use so they just put the price up.”

Hatfield, future customers

Supporting people to save water

Across the groups, participants expressed an interest in becoming more engaged and pro-active in their use of water. It was felt that Affinity Water had a role to play in equipping them to do this, particularly through improved communications. This was highlighted as priority that would aid both environmental sustainability and keeping costs low for customers

Both those who prioritised customer service and those who prioritised environmental sustainability, saw a potential benefit to having more interaction with Affinity Water. They were keen for Affinity Water to help them to help themselves – namely through more information and gadgets from Affinity Water that

could help them save water. In line with their varying priorities, there were a range of motivations for this. Those who were motivated financially wanted to find out how they could reduce wastage so that they could save money, though positive impacts for the environment were a welcome side effect. On the other hand, those who were motivated by environmental concerns perceived the opportunity to save money as an additional bonus.

“If they notice you’ve used more than normal, they should contact you. They should notify you.”

Watford, 35-54, ABC1

Participants welcomed a variety of ways that they could communicate with Affinity Water. The suggestion of an app that they could engage with easily and which would provide them with live information about their water use was popular across participants. However, conventional communication methods such as information through the post or face to face, were also welcomed.

“We’ve just had a consultation about waste collection options and we were invited to go along and talk to them, why not do that?”

Luton, 35-54 C2DE

Participants also suggested that Affinity Water could provide them with gadgets that could help them save water, such as bags to fit in toilet cisterns.

Metering was discussed as a potential way of enabling customers to gain greater control over their water supply, although this did garner mixed views. Participants who had found smart meters to be useful for managing their gas and electricity use thought that a smart meter for water could be a good way to help people understand how much water they are using, and potentially to reduce this. Participants who already had meters in place spoke about saving money since having these fitted.

“I’ve had a water meter for a few years and it’s the best thing I ever did.”

Chertsey, 55+, ABC1

However, not all views were positive. For example, those participants who had had more negative experiences of smart meters expressed concern about not feeling able to use their utilities freely.

“When you have these meters put in, they give it to you for free and it makes you scared to turn your heating on”.

Chertsey, 55+, ABC1

Similarly, there was also concerns that metering could lead to more expensive bills for high water users.

"I don't want a meter. In ten years' time I'll be fine but not now with a child and a garden."

Saffron Walden, 34-54, ABC1

Participants were against having mandatory meters but were also interested in how meters could help them to manage their water supply. They were keen to receive more information about metering, and how meters might benefit them but also the disadvantages.

General views of the draft business plans

General views of the draft business plans

- All three draft business plans were generally seen as acceptable.
- There was, however, scepticism around Affinity Water's ability to deliver them – being able to simultaneously improve outcomes and reduce costs seems counterintuitive to customers.
- Issues of comprehension around the way data was presented throughout discussions made it difficult for participants to put the plans in context or compare them. They were less likely to prioritise things that were unfamiliar or that they did not understand.
- Options with environmental benefits and those that fixed leaks were prioritised.

Participants were shown each of the three plans in turn, followed by a comparison sheet showing the details of each plan side by side. (This sheet has been included below for reference). This section covers participants' reactions to the plans in general, then goes into more detail about participants' views of each of the seven priority areas covered in the plans.

Plan comparison

Forecast bills	Fixing leaks	Sourcing water more sustainably	Reducing personal water use	Risk of interruptions	Severe drought restrictions	Environmental pilot projects	Reliability of water pressure
Plan J: £170 per year 2019/20 £158 per year in 2024/25	11% reduction	10 million litres less	129 litres per person per day	1.5% chance (1 in 65) per year	1.7% (1 in 60) chance per year	£2 million to fund new schemes	8.7 hours low pressure per year
Plan K: £170 per year 2019/20 £161 per year in 2024/25	11% reduction	10 million litres less	129 litres per person per day	0.8% chance (1 in 130) per year	1.7% (1 in 60) chance per year	£6 million to fund new schemes	6.5 hours low pressure per year
Plan L: £170 per year 2019/20 £168 per year in 2024/25	15% reduction	39 million litres less	124 litres per person per day	1.5% chance (1 in 65) per year	0.5% (1 in 200) chance per year	£2 million to fund new schemes	8.7 hours low pressure per year
Currently: £167 per year in April 2018	-	-	160 litres per person per day	5% (1 in 20) per year	2.5% (1 in 40) chance per year	-	13 hours low pressure per year

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Initial reaction to the plans

Some participants found the exercise of considering the plans and deciding whether they would be acceptable an odd thing to do, given that they felt little control over what Affinity Water does, and would continue to be their customer regardless of their level of satisfaction with the service provided or plan followed.

“There’s not a lot of choice not to accept it. What would you do if you didn’t?”

Chertsey 55+, ABC1

Participants were shown each plan in turn and asked for their views on these. However, when shown the second and third plans, they automatically started making comparisons between the three plans, and therefore did not consider them in isolation. None of the plans presented were found to be unacceptable in principle. This was because participants were generally satisfied with the status quo and all the plans presented some level of improvement on this. However, there was some scepticism about how realistic these plans were and whether Affinity Water would be able to deliver them. This was because it seemed counterintuitive for benefits to go up, while costs simultaneously went down.

“It’s very unusual to see a business plan where all the performance criteria get better and the price goes down. It’s just not how business works.”

Saffron Walden, 55+, ABC1

The presentation of the costs prompted questions such as whether prices presented had been artificially lowered only to be increased once the five-year plan was over.

“If they’re developing plans for the next five years, is it because they’re reducing their prices and suddenly they’ll put them up again? Just keep the price level rather than dropping it and suddenly hiking it again.”

Watford, 55+, C2DE

Some of the improvements proposed by the plans were thought to be overly-ambitious, and this led to scepticism about Affinity Water’s ability to deliver these for the consumer costs stated. Where participants were sceptical about this, their initial reaction tended to be cautious, and they were attracted towards costs that were most similar to the current plan.

“If my bill was going to go up hugely then don’t do it, but if it’s going to stay pretty much the same, it doesn’t matter. £3 is the price of a pint, and it’s over a year.”

Chertsey, 35-54, C2DE

As discussions continued, some of this reticence remained, but participants did warm up and other priorities were teased out. Broadly speaking there was agreement among the older and more affluent groups that a small rise in bills would be acceptable to fix leaks or to improve environmental sustainability. Where participants were less willing to cross the conceptual line into a bill increase there was a number of reasons for this. For those who were already keen to lower or maintain their level expenditure, money saving was a key motivation. For others, who did not fully understand some of the proposals around environmental sustainability, or where unsure how effective they would be, there was reluctance to spend more money without being sure of clear benefits.

It was noted that the priority areas did not include a focus on customer service. As mentioned previously, this was identified as an important priority across the groups. Many of the priorities discussed focused on the environment and reflected participants’ role as citizens. However, participants also noted that customer service was a priority, reflecting their role as paying consumers.

“Customer service, yes. It should be a priority for every company. As the customer who’s paying this bill each month, I’d definitely agree there should be a lot more value offered, help for our service we’re paying for, possible discounts, look after your customers because they’re paying your wages.”

Luton, 35-54, C2DE

Those participants who prioritised customer service, focused on value for money and support from their water company to help them to save water.

Issues with comprehension

Participants struggled to fully comprehend the data presented in the plans. The data was neither familiar nor intuitive – for instance, there were different takes on what the leakage data meant – and groups worked collectively through these, self-correcting misunderstandings and posing questions.

Furthermore, participants struggled to make sense of the figures presented, without any context. Often participants were unsure how to judge monetary amounts – it wasn't clear to them whether £2 million was "a lot" in context of other costs.

"It just occurred to me, if they're going to spend £2 million, if that's in Luton, that's a lot. If it's in Hertfordshire, Buckinghamshire, Bedfordshire, greater London, that's not a lot once you split over everywhere. It's a figure but it doesn't mean anything until you know what area it covers."

Luton, 35-54 C2DE

Likewise, some aspects of the plans were presented in terms of financial costs while others were presented in terms of volumes of water saved – not only were both of these measurements intangible to participants, the use of different types of measurement made it difficult for them to compare within and between the plans.

"Does reducing the environmental projects by £4 million have a relevance to the water pressure?"

Saffron Walden, 35-54, ABC1

Where participants didn't understand how particular environmental priority areas would work – for instance what the environmental pilot projects would be, or how Affinity Water could change their personal water use – they tended to shy away from prioritising these areas. When faced with making trade-offs between environmental activities that they did not fully understand and cost savings or customer service, they tended to default to the cost savings or customer service as these were concepts that they were familiar with and understood. This was particularly apparent within the younger and future customer groups, where participants exhibited a lower level of background knowledge. This may also go some way to explaining why, in practice, these participants preferred to prioritise money saving and customer service, although environment was considered important at least in theory.

Priority areas

Within the discussions of the plans, participants focused largely on fixing leaks, the environmental pilot projects, reducing personal water use, and in some groups, sourcing water more sustainably. Participants

tended to spend less time discussing the risk of interruptions, severe drought restrictions and reliability of water pressure – and overall, these areas were prioritised less.

Broadly speaking, the older customers were most interested in the environmental aspects of the plans. Younger customers balanced environmental concerns with cost savings, while the future customers prioritised the customer experience and cost savings.

The following sections provide an overview of the discussions around each of the seven priority areas.

Average household water bill: **£167** (from April 2018)

Fixing leaks: Currently 19% of water is lost through leakage. This equates to 115 litres per household, per day. Of the total amount of water lost through leakage, 5% is lost through customer pipes.

Sourcing water more sustainably: Two thirds of water used by Affinity Water Customers comes from aquifers (local underground sources). Taking more water from these sources could mean less water for the environment.

Reducing personal water use: Affinity Water customers use more water than the national average, 160 litres per day compared to 141 litres. Usage can be reduced through metering, free water saving devices for the home and education.

Risk of interruptions: A water supply interruption lasts more than 3 hours and is usually due to a burst water main. Currently Affinity Water customer's have a 1 in 20 chance, per year, of experiencing a water supply interruption.

Severe drought restrictions: These are measures beyond hosepipe bans, such as water rationing and water companies taking water from sources they wouldn't normally use.

Environmental pilot projects: These are experiments in small areas to support the local environment. For example, working with schools to educate pupil about water use or partnering with developers to create more water efficient homes.

Reliability of water pressure: Currently poor pressure is experienced for 13 hours per property per year (due to high demand, one off issues, network configuration).

Fixing leaks

Fixing leaks was an important priority across the groups. It was more tangible than some of the other priorities – participants could conceptualise what it involved and understood how it could benefit both them as customers and the environment more widely.

There was a view that fixing leaks should be prioritised above all other areas as they believed that doing so had the greatest potential for saving water – that if it was done effectively then some of the other measures, such as sourcing water more sustainably, would not be necessary at all. In this way, fixing leaks

was seen as the most obvious way for Affinity Water to fulfil a commitment to the environment and to pass on savings for the customer.

Given that this priority area was understood to be so pivotal, many participants felt that the reductions in leaks presented in each of the plans were quite modest and that Affinity Water should be aiming for more significant savings.

“11% of that 19 [per cent of water currently lost through leaks] is diddly squat.”

Saffron Waldon, 55+, ABC1

This was the case even if it meant reducing the amount spent on other priorities. That said, as costs for fixing leaks were not provided, they were not able to compare how this would look traded off against other areas.

Environmental pilot projects

Investing in environmental pilot projects stood out to participants across all the groups. For those who prioritised the environment, these projects could be a positive step towards long-term sustainable water use. They were therefore attracted to the plans that proposed larger investment in this area.

“I always like investment in environmental projects.”

Saffron Waldon, 55+, ABC1

Those in the younger and future customers groups who liked the idea of the pilot projects, were hesitant because they did not know what they were or how effective they would be.

“I’d like to know more. It sounds good, but it could be a load of rubbish. I don’t even know.”

Chertsey, 35-54, C2DE

The environmental pilot projects also stood out because of the seemingly large price tag attached to them and some were put off by the costs. For instance, in one future customers group, participants spent quite a bit of time discussing how important it was to educate people about saving water in their day-to-day lives, and how it would be useful if Affinity Water provided them with more information and gadgets to this end. However, when they saw the plans, their immediate reaction to the environmental projects was that they were too expensive. Even when it was pointed out that the educational activities they had been suggesting could fall under these plans they were still sceptical that it was a lot of money.

One of the example that was given of an environmental project providing education in schools was unpopular among some groups and this then affected the way that they thought of this priority area as a whole. Those who were against this idea were sceptical because thought this particular type of project was a waste of money as it duplicated what schools were doing already. There was also cynicism around

whether school pupils were likely to take on any of the learnings, especially as they were not bill payers so would not have a financial incentive.

“You can do that from home. That would be a waste of £2 million, or £6 million.”

Luton, 35-54, C2DE

These participants were generally more receptive to the concept of environmental project plans when considering other examples of projects – but they still struggled a bit given that the projects potentially covered such a wide range of things. Overall, participants found it difficult to make decisions about prioritising the environmental projects because they didn’t know what these projects would be and without this information they were unable to make assessments about how worthwhile the different levels of investment were. Those who were in favour of the proposals were so because they were willing to assume they would be effective.

Sourcing water more sustainably

This aspect was felt to be important from an environmental perspective. It was clear that participants hadn’t really thought about how much water comes from the environment. However, the existence of this priority area drew to their attention that where water was not sourced sustainably, this was something that was damaging, and so improvements to this process were welcome.

“If they’re taking that many litres of water per day from the environment, it will hugely impact the environment.”

Luton, 55+, ABC1

Given low levels of knowledge about how water is extracted the environment or what the alternatives might be, participants were quite ambivalent about how this should be prioritised within the plans.

“What are they talking about? Overground reservoirs?”

Watford, 35-54, C2DE

Moreover, without any context as to how much water is currently taken from the environment, participants were unable to make any assessment of how significant or not the proposed savings were.

“What do they take at the moment? That could be 1% of what they take, that 10 million, or it could be 50%. It sounds great but if they’re currently taking 100 million per day then how much difference does it make? There’s nothing to compare it to.”

Luton, 18-34, ABC1

Reducing personal water use

There was a broad consensus across the groups that reducing personal water use was in theory an admirable goal. However, its role within the business plan was contested. This was because:

- Participants didn't understand how this could be achieved or how it would be tracked
- Participants didn't think that water companies should be able to place restrictions on personal water use
- There was disagreement about whose responsibility it was to reduce personal water use

Typically, and echoing other PR19 research, participants did not think that they as individuals wasted water. Consequently, although they didn't mind the principle of reducing water usage where water was simply going to waste, for example turning taps off when brushing their teeth, they didn't think that they were that wasteful in the first place so couldn't see this making very much difference. Customers didn't want to use less water where this affected their day-to-day life, for example taking shorter showers as they felt that their current behaviour was acceptable and necessary.

Moreover, given that meters are not currently mandatory in all areas, participants did not see how Affinity Water could track individual water use, and therefore assess whether the proposed reductions had been achieved.

There was discussion around whether the proposed reductions would be achieved by mandatory restrictions on water use at a household level or by encouraging people to reduce water use and giving them tools to help enable this. The idea that there could be mandatory restrictions on their personal water use provoked angry reactions within the groups. As consumers, they thought it was inherently unacceptable for their supplier to dictate how much water they used, and how they used it.

"If I'm paying for something, I want to use it however I want. They should be worried about making sure they're giving us enough to use as much as we want and need but also ensure it's environmentally friendly. I don't want to worry about whether I'm using too much water. They should ensure they're doing it right, I want to use it how I please because I'm paying for it."

Luton, 18-34 ABC1

It was also noted that different households have different circumstances that influence how much water they want or need. For example, those with larger families, larger gardens or animals may need more water than those without, and some medical conditions required more water use.

On the other hand, participants were more receptive to the idea of Affinity Water helping them to reduce personal water use through advice or technological solutions, and providing incentives to do so.

"I'd like to see a big tank installed in gardens that you can pump it through, so you can have a permanent supply of grey water. To be able to collect the water for the times it's dry."

Saffron Walden, 55+, ABC1

The need to reduce personal water use was directly equated with the issue of leakage. Given that the loss of water through leakage was currently so high, participants rejected the onus being put on them to save water when they felt the water companies themselves were much more responsible for wasting it. Considering this, they thought that Affinity Water should be focused on reducing its wastage rather than expecting customers to reduce their own, comparatively smaller, levels of water wastage.

“They need to lead by example. They want us to reduce our usage, they need to reduce theirs, as in fixing the leaks and sourcing more sustainably.”

Saffron Walden, 35-54, ABC1

Overall, participants thought that the responsibility to use less water was shared between the consumer and the supplier – with the consumer having control over how much water they use and the supplier making it easier for them to be more efficient in their use. Older participants tended to be more willing to take on greater responsibility for their own water use, whereas younger participants placed more emphasis on the responsibility of the supplier.

In terms of the specific figures that were proposed for water use reduction, all plans proposed reducing personal water use by at least a fifth. This was perceived to be a considerable amount, and possibly unrealistic, especially over a fairly short time period. Those who thought this was an unrealistic amount thought this because they already considered themselves to be careful with their water use.

“I’m just trying to think what I’d cut out because I don’t think I use loads of water.”

Hatfield, future customers

On the other hand, those that thought these amounts could be achieved did so because they felt others in their households and other households were wasteful, and so had the potential to make drastic improvements. It was noted that metering could people to see how much they use, and to make savings.

Risk of interruptions and reliability of water pressure

This area was not highly prioritised in most of the groups, possibly because few found the current level of interruptions, nor the reliability of water pressure, to be major issues. Nevertheless, when comparing plans, greater reductions in interruptions and improvements to the reliability of water pressure were seen as positive things.

“There’s less risk of interruption and the water pressure will be better. That’s a big thing for me, so I’d be happy to pay £3 more a year to have better water pressure.”

Hatfield, future customers

In addition, these areas were deemed to be important within the future customer groups, as both were perceived to be aspects of the customer experience, which was highly prioritised.

Severe drought restrictions

This area was not highly prioritised in any of the groups, as participants did not consider the possibility of drought to be significant. Participants thought that the current likelihood of needing to use severe drought restrictions was low enough, and were not particularly concerned about reducing it further.

"I don't understand how it works. I'm not good at science, but I don't understand how we could run out of water."


Luton, 18-34, ABC1

Views of each business plan


Views of each business plan

Plan J


Plan J




Fixing leaks
11% reduction in current leakage levels




Sourcing water more sustainably
Taking 10 million litres per day less from the environment




Reducing personal water use
129 litres per person per day, down from 160 now




Risk of interruptions
Reducing the likelihood of interruptions longer than 3 hours to a 1.5% chance (1 in 65)



Severe drought restrictions
Reducing the chance of needing to use these from 2.5% to 1.7% per year (1 in 60)




Environmental pilot projects
£2 million to fund innovation in your area



Reliability of water pressure
Reducing periods of low pressure for some to 8.7 hours per year

Under this plan, your yearly bill is forecasted to be
£170 in 2019/20, and £158 in 2024/25
Figures are in 2017/18 prices and do not include inflation



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Advantages

When viewed in isolation, this plan was felt to be acceptable. It makes some modest improvements across each of the priority areas, and for a lower cost. It was therefore seen as an improvement on the current situation.

The biggest perceived benefit of this plan was that it was the cheapest of the three options. Although the differences in costs between plans were fairly small, those watching their budgets most closely, saw any reduction as a bonus. This was despite the fact that it was widely acknowledged that all savings were minimal and unlikely to be noticed in day-to-day life given the relatively small cost of water compared to other household bills.

Proponents of plan J saw it as less ambitious and therefore more achievable than the other two plans.

“Ideal world you want L but ever the pessimist I’d say J is more achievable.”

Chertsey, 35-54, C2DE

In contrast to the other groups, within the future customer groups, plan J was the preferred plan. Participants noted that in the areas of water pressure reliability and risk of interruptions, this plan offered the same improvements as plan L, but at a lower cost. This stood out to participants who prioritised their experience as a customer, as it represented both a better service for them and a reduced cost.

Disadvantages

Plan J suffered by comparison to the other two plans. Plan J simply offered fewer improvements than the other plans and for only minimal savings on billing.

“[Plan J] is disappointing...I feel like this is the Asda plan. Plan L is the Waitrose. I don’t feel plan J is doing enough.”

Chertsey, 35-54, C2DE

In particular, participants did not think that Plan J delivered enough in terms of environmental sustainability, as environmental benefits were clearly less evident than either of the other two options.

Furthermore, participants did not think that the 11% reduction in leaks was enough, especially compared to plan L. It was noted that although J was cheaper in terms of upfront costs, not investing enough in fixing leaks could have greater long term costs.

“If you pay less but spend more in traffic jams because of their pipes and lose a day of work because the water is rubbish, and someone has to come out and fix it, you’re not really saving anything.”

Watford, 35-54 ABC1

Though the improvements in reducing risk of interruptions and improving reliability of water pressure were comparable to the other plans, these were areas that were not typically a high priority for participants, other than the future customers.








“Interruptions aren’t top of my list of worries, so it doesn’t bother me that they’re reducing that. I don’t think there’s enough on sourcing water more sustainably.”

Chertsey, 35-54, C2DE


When asked to select their preferred plan, **16 participants** out of the total 87 chose J. This figure should be considered in the context that this was qualitative research conducted with a small and not statistically representative sample. The survey being conducted alongside this work may be used to draw statistical conclusions about the relative popularity of the plans.

Plan K

Plan K

 <p>Fixing leaks 11% reduction in current leakage levels</p>	<p>Risk of interruptions Reducing the likelihood of interruptions longer than 3 hours to a 0.8% chance (1 in 130)</p> 
 <p>Sourcing water more sustainably Taking 10 million litres per day less from the environment</p>	<p>Severe drought restrictions Reducing the chance of needing to use these from 2.5% to 1.7% per year (1 in 60)</p> 
 <p>Reducing personal water use 129 litres per person per day, down from 160 now</p>	<p>Environmental pilot projects £6 million to fund innovation in your area</p> 
	<p>Reliability of water pressure Reducing periods of low pressure for some to 6.5 hours per year</p> 

Under this plan, your yearly bill is forecasted to be
£170 in 2019/20, and £161 in 2024/25
Figures are in 2017/18 prices and do not include inflation



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Advantages

The key advantages of this plan were seen to be its environmental credentials. Plan K includes three times as much spending on environmental pilot projects compared to the other two plans, so for those who prioritised these projects, this was a considerable advantage.

Plan K provided the best improvements in reliability of water pressure, although this wasn't hugely important for most participants. Compared to Plan J, this plan also offered a reduction in the risk of interruptions. Again, this was not individually considered to be a very important priority, but in conjunction with the focus on environmental pilot projects this contributed to making this plan more attractive.

"We think it's better than J. You're getting three extra benefits like risk interruption is reduced, environmental projects get £6 million instead of £2 million and reliability of water pressure is going to be improved."

Watford, 55+ C2DE

In addition, for those participants who liked the idea of L but feared it was too ambitious, Plan K presented a seemingly more accessible option that was more environmentally friendly than J.

"I went with K. I compared it with L and I looked at the feasibility, some of the things might not be achievable, K feels more realistic."

Watford, 35-54, ABC1

Disadvantages

With Plan K being perceived as the middle ground, some participants felt that it didn't do enough in either cost savings or in terms of environment to be the preferred plan.

"I don't think K is saving enough for what you're getting out of it. It either needs to be plan J to save significantly more... or L for me."

Chertsey, 35-54, C2DE

The main point that stood out from Plan K was the additional spend on environmental pilot projects. This was a draw for those who supported greater expenditure on these projects. On the other hand, opponents felt the money could be better spent elsewhere. The expenditure on environmental pilot projects drew mixed reactions, even amongst those who were keen to prioritise the environment. This was because it was not clear exactly what the pilot projects would entail or their likelihood of success, so participants found it difficult to assess whether they were an effective use of money.

As with plan J, it was noted that an 11% reduction in leaks did not feel ambitious enough.

When asked to select their preferred plan, **18 participants** out of the total 87 chose K. This figure should be considered as illustrative the Business Plan ('acceptability') survey will allow more statistically-based conclusions to be drawn.

Plan L

Plan L

Fixing leaks
15% reduction in current leakage levels

Sourcing water more sustainably
Taking 39 million litres per day less from the environment

Reducing personal water use
124 litres per person per day, down from 160 now


Risk of interruptions
Reducing the likelihood of interruptions longer than 3 hours to a 1.5% chance (1 in 65)

Severe drought restrictions
Reducing the chance of needing to use these from 2.5% to 0.5% per year (1 in 200)

Environmental pilot projects
£2 million to fund innovation in your area

Reliability of water pressure
Reducing periods of low pressure for some to 8.7 hours per year

Under this plan, your yearly bill is forecasted to be
£170 in 2019/20, and £168 in 2024/25
Figures are in 2017/18 prices and do not include inflation



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Advantages

Plan L was considered to be an aspirational plan, which appealed to participants who felt that Affinity Water should be striving to deliver the best possible environmental outcomes. The main appeal of this plan was in terms of its environmental credentials. With the exception of funding the environmental pilot projects, this plan proposed greater results in all of the environment focused priority areas – fixing leaks, sourcing water more sustainably and reducing personal water use.

Reflecting the importance placed on fixing leaks throughout the discussions, participants were attracted to this plan because it promised a greater reduction in leaks compared to the other two. Moreover, for those who prioritised the environment but were sceptical about the effectiveness of the environmental pilot projects, the lower spending on this seen in positive terms.

“Plan L. I like it. It’s idealistic, I like the ambition of the reductions and the sustainability. They’re trying to reduce our personal usage as much as possible. 124 litres per person per day, to aim for that, that’s good.”

Watford, 35-54, ABC1

Furthermore, although this plan was more expensive than the other two plans, participants tended to feel that this was worthwhile for the additional benefits – and crucially, it was still cheaper than the current plan.

“Most of us don’t mind the bill we’re paying at the moment, it’s a little steep but we don’t mind because of the benefits and they’re trying to make it look like you’ll get a smaller deal to get more for it. I prefer L. I don’t mind my bill being the same if they’re going to do more for it.”

Chertsey, 35-54, C2DE

Disadvantages

The main criticism of Plan L was that it sounded “too good to be true”, and participants were sceptical as to whether it could be achieved. It was noted that in terms of sourcing water more sustainably, the amount of water coming from the environment would be reduced much more relative to the other plans. The individual water savings were also higher in this plan than in the other two, and participants were unsure about how this reduction could be achieved. The feeling of scepticism was compounded by the intangibility of the environmental improvements and participants did not understand what was entailed in achieving them.

“I don’t think it will work. It’s too far-fetched. We said saving from 160 to 124 litres per day is a lot. That is so much it seems impossible. If they think they can do that much, why aren’t they?”

Hatfield, future customers

Those who felt that this plan was too expensive noted that it cost more than the other two but did not improve on Plan J in terms of the customer-centric priorities of reducing the risk of interruptions and improving reliability of water pressure. This issue was primarily noted among the future customers.

“With plan L, they focus more on environmental values than customer values. If you’re paying the bills you value your own needs over the environment.”

Hatfield, future customers

Although, compared to the other plans, L includes a greater commitment to fixing leaks, there was still a feeling that a 15% reduction was insufficient. This feeling reflected the very high importance placed on

fixing leaks. Those who noted this also referred back to their shock and surprise at the current amount of water that is lost through leaks.

“If they said you were going to have a heart attack unless you lose an awful lot of weight, you wouldn’t think 15% was enough. If you were avoiding dying, you’d sure as hell take more than 15% off. We should be asking why not 50%?”

Saffron Walden, 55+, ABC1

When asked to select their preferred plan, **53 participants** out of the total 87 chose L. This figure should be considered as illustrative; the Business Plan (‘acceptability’) survey will allow more statistically-based conclusions to be drawn.

Conclusions

Conclusions

Knowledge is limited

Participants tended to have little background knowledge of Affinity Water, and water supply in general. As a result of this:

- They were not easily engaged and took some time to warm up.
- They struggled with assessing some areas of the business plans, particularly around some of the environmental priorities, where levels of understanding were weak.
- They were able to make decisions about their priorities, and make choices between the plans, but these decisions were limited by their knowledge.

Customers are receptive to becoming more engaged

Although customers were not dissatisfied with the current level of information they receive, they say they would welcome the opportunity to become more engaged and proactive in their use of water.

Participants suggested that Affinity Water could support customers by:

- Providing information about reducing water use through traditional channels such as by post.
- Providing water saving gadgets to customers.
- Providing an app that customers could engage with easily, and which would provide them with live information about their water use.

Metering was also discussed as a way of enabling customers to gain greater control over their water supply. Participants were aware of smart meters for other utilities and thought a smart meter for water could be a good way to help people understand how much water they are using, and potentially to reduce this. Participants who already had water meters in place spoke about saving money since having these fitted, though there was also concerns that metering could be more expensive for some, high water use customers. Generally, customers were keen to receive more information about metering and how meters might benefit them.

Participants prioritise areas where they can envisage tangible improvements for the environment, and for themselves as customers

Throughout the groups, there was a tension between wanting Affinity Water to prioritise being an environmentally conscious provider, and improving efficiency of service for the customer. This was reflected throughout discussions, and was also evident when, as a way of wrapping up the discussions, participants were asked to identify the "one thing" they would like to communicate to Affinity Water. The

priorities they identified tended to focus on being more environmentally friendly or on improving the customer service encompassing experience and the affordability of bills.

Protecting the environment was a key priority; this was a tangible issue that customers were aware of from various aspects of their lives. However, where they did not fully understand all of the environmental priority areas laid out in the draft plans. Consequently, they shied away from these, preferring to focus on aspects where the impact was clearer to them. For example, where participants were less supportive of the environmental pilot projects, this tended to be because they were unsure of what they were or sceptical about their impact, rather than because they didn't think the environment was important.

Customers also prioritised good customer service and keeping bills as low as possible, preferring minimal, if any, increases.

Some priorities which were seen to achieve environmentally conscious provision and efficiency of service for the customer. Fixing leaks was seen to do this through reducing water loss and damage to the environment, while also making water supply more efficient with potential benefits in terms of reducing bills for customers. Likewise, improved communication, supporting customers to be more environmentally conscious themselves, was considered a priority because it was both an improvement to customer service and a move towards being more environmentally friendly.

All of the plans are broadly acceptable

All of the plans were seen to be an improvement on the current situation (which customers were generally satisfied with). However, the discussions identified preferences within and between the plans which reflected priorities.

Plan J: This was seen as the most practically achievable and realistic of the plans, but also the least impressive.

Plan K: This was recognised as having strong environmental credentials, but could do better in terms of cost savings.

Plan L: This was seen as the most aspirational of the plans and the one customers felt Affinity Water should be striving for, though there were questions about how achievable it is, or whether it seemed "too good to be true".

Customers were keen to say that all of the plans would benefit from as strong a commitment to fixing leaks as was possible.

Appendix



Appendix

Discussion guide

Affinity Water: Business Plan

Overview notes for moderators

Affinity Water are a regulated 'monopoly' business, meaning customers can't switch supplier. Their key aims are making sure customers, communities and the environment have enough water; supplying high quality water you can trust; minimising disruption to you and your community and providing a great service that you value.

The aim of these groups is to understand customer opinion and priorities in respect of the draft **Business Plan** and to supplement a survey designed to test acceptability of different packages of options.

Eight evening focus groups will be held across SE England on behalf of Affinity Water. Each evening there will be two (focus) group discussions (6.00-8.00pm and 8.15-10.15pm) which will bring together 8-10 customers. Two groups with "future customers" groups will be used to understand the different perspectives of this segment. These will involve shorter discussions aiding recruitment.

Participants will be recruited based on receiving clean/drinking water from Affinity Water (their waste water will be provided by another service provider e.g. Thames Water), and quotas including those outlined below.

Date	Location and REGION	Venue details	Recruitment quotas
Tues 17-Apr-18 18:00-20:00 20:15-22:15	Chertsey and Addlestone (Surrey) CENTRAL	De Vere Beaumont Estate Burfield Road Old Windsor SL4 2JJ 01753 640 000	Group 1: 55+ ABC1 Group 2: 35-54 C2DE
Thurs 19-Apr-18 18:00-19:30 20:00-21:30	Hatfield (Herts) CENTRAL	Beales Hotel Comet Way Hatfield AL10 9NG 01707 288 500	Group 3: Future customers (majoring on students at university) Group 4: Future customers (majoring on those aged 18-34 and living with their parents)
Tues 24-Apr-18 18:00-20:00 20:15-22:15	Saffron Walden (Essex) CENTRAL	Wellcome Genome Campus Conference Centre Wellcome Trust Genome Campus Hinxton, Saffron Walden, CB10 1RQ 01223 495000	Group 5: 55+ ABC1 Group 6: 35-54 ABC1



Date	Location and REGION	Venue details	Recruitment quotas
Wed 25-Apr-18 18:00-20:00 20:15-22:15	Watford (Herts) CENTRAL	Wyoming Studios 204 Lower High Street Watford, WD17 2EH 01923 230 616	Group 7: 55+ C2DE Group 8: 35-54 ABC1
Thurs 26-Apr-18 18:00-20:00 20:15-22:15	Luton (Beds) CENTRAL	Hilton Garden Inn Luton North Butterfield Business Park Hitchin Road, Luton, LU2 8DL 01582 435 300	Group 9: 35-54 C2DE Group 10: 18-34 ABC1

Time	Section, questions, prompts
5.45- 6.00pm	Arrival and registration
6.00- 6.10pm (10 mins)	<p>Introduction</p> <p>The aims of today's discussion is to understand the opinions of local residents to understand their views about water, and to get opinions on Affinity Water's plans for water services and billing over the next few years.</p> <p>Explain tone and nature of discussion:</p> <ul style="list-style-type: none"> • Relaxed and informal • No right or wrong answers • Keen to hear everyone's views and experiences; we are after a range of opinions, not seeking consensus • Please feel free to disagree with one another; just keep it polite • The moderator will make sure everyone gets a chance to share their opinion • Try to avoid talking over one another – means the recorder does not work so well / note taker may not be able to hear • Explain camera and film (live link-up, not being recorded) – observers are mix of Affinity Water staff and members of the Customer Challenge Group (ADAPT AS REQUIRED): <ul style="list-style-type: none"> “The CCG is an independent group who provide challenge to water companies and their business plans. In particular, they are interested in the views of customers being considered by water companies” • Plenty to get through, so the moderator may have to move people on from time to time • Clarify length of group (2 hours)



	<ul style="list-style-type: none"> Any other housekeeping – fire alarms, facilities, mobile phones put away, etc. <p>PERMISSION TO RECORD – START DIGITAL RECORDER</p> <p>We’d like to find out a little more about you. In pairs, could you please find out your partner’s first name and a little bit about their household – who they live with, what type of property they live in and how long they have lived there.</p> <p>I’ll then ask you to introduce your partner back to the group.</p> <p>PAIRS INTRODUCE BACK TO GROUP</p>
<p>6.10-6.20pm (10 mins)</p>	<p>Ice breaker</p> <p>SPREAD OUT IMAGES – TWO COPIES OF EACH IMAGE – ON TABLE (FACE DOWN)</p> <p>I have set out a group of images on the table. Please select the one which best reflects how you think about water.</p> <p>Why did you choose that image?</p>
<p>6.20-6.45pm (25 mins)</p>	<p>Performance, context and affordability</p> <p>Tell me <u>what you know</u>, about Affinity Water; who they are, what they do, which areas they serve...</p> <p>FLIPCHART ANSWERS</p> <p>DIFFERENCE BETWEEN SEWERAGE AND CLEAN WATER – AND BILLING ARRANGEMENTS</p> <p>WATER COMPANIES AS REGIONAL MONOPOLIES</p> <p>PROBE FOR HOW WATER IS SOURCED AND SUPPLIED (NOT YET ON FUTURE FACTORS AFFECTING THESE)</p> <p>What do Affinity Water do well?</p> <ul style="list-style-type: none"> - What do they do badly? - How could they improve? <p>FLIPCHART ‘IMPROVE’ AND SORT IN ORDER OF PRIORITY</p> <p>Let’s look ahead. What should Affinity Water’s priorities be for the future do you think?</p> <ul style="list-style-type: none"> - Why do you say that? - To what extent does this matter to you? Why/why not?



	<p>FLIPCHART PRIORITIES</p> <p>HAND OUT STIMULUS ON HISTORICAL/COMPARATIVE PERFORMANCE (ONE SLIDE SHOWING COMPARATIVE PERFORMANCE AND HOW AFFINITY WATER SPENDS £):</p> <p>TO MAKE PARTICIPANTS AWARE:</p> <ul style="list-style-type: none"> - HOUSEHOLD BILLS ARE WATER-ONLY, not sewage, PER YEAR - INDUSTRY AVERAGE based on 18 English and Welsh water companies - 'ASSETS' = pipes, treatment plans, pumping stations, reservoirs, AW offices etc.) <p>Having read this information, what stands out to you?</p> <ul style="list-style-type: none"> - PROBE: Why? - Is there anything that surprises you? Why? <p>MODERATOR TO READ OUT</p> <p>Every 5 years, water companies prepare a business plan that shows what services they will provide for the next 5 years. Affinity Water are currently developing plans for the period 2020-2025 and these plans will be submitted to Ofwat (the water regulator) who will decide how much companies can charge their customers.</p> <p>Companies consult widely with their customers to help prepare these business plans; this can involve focus groups, surveys, public consultation, and so on.</p> <p>We're going to look at some draft plans and options in detail in a moment, but first...</p> <ul style="list-style-type: none"> - What would you expect Affinity Water to be taking into account when developing plans? What should they be taking into account? What else? <p>FLIPCHART</p> <ul style="list-style-type: none"> - PROMPT: For detail around <u>supply</u> <ul style="list-style-type: none"> - Environment, drought, climate change, usage, leaks - How can water companies manage supply? - Should and how could customers reduce usage? - Who can do this? Water companies, customers or both?
<p>6.45-7.30pm (45 mins)</p>	<p>Business Plans</p> <p>As I said earlier, all water companies are developing Business Plans that set out investments that are needed to maintain and improve water services from 2020 onwards.</p> <p>We're first going to briefly look at how things currently are for Affinity Water customers.</p>



MODERATOR TO HAND OUT OVERVIEW SHOWCARD AND BRIEFLY EXPLAIN EACH IMPACT AREA. READ OUT...

Fixing leaks: Currently 19% of water is lost through leakage. This equates to 115 litres per household, per day. Of the total amount of water lost through leakage, 5% is lost through customer pipes.

Sourcing water more sustainably: Two thirds of water used by Affinity Water Customers comes from aquifers (local underground sources). Taking more water from these sources could mean less water for the environment.

Reducing personal water use: Affinity Water customers use more water than the national average, 160 litres per day compared to 141 litres. Usage can be reduced through metering, free water saving devices for the home and education.

Risk of interruptions: A water supply interruption lasts more than 3 hours and is usually due to a burst water main. Currently Affinity Water customers have a 1 in 20 chance, per year, of experiencing a water supply interruption.

Severe drought restrictions: These are measures beyond hosepipe bans, such as water rationing and water companies taking water from sources they wouldn't normally use.

Environmental pilot projects: These are experiments in small areas to support the local environment. For example, working with schools to educate pupil about water use or partnering with developers to create more water efficient homes.

Reliability of water pressure: Currently poor pressure is experienced for 13 hours per property per year (due to high demand, one off issues, network configuration).

Now I would like to ask for your views on three plans for Affinity Water. We have included Affinity Water's estimate for the overall impact on average household bills in this area.

PLEASE STRESS: **Please note that this amount does not include the cost of sewage/waste water, as this service is provided by another water company.**

I am going to ask you about three plans individually first - each one is different - before asking you to look at them together in one go.



	<p>If you could now put this showcard aside and we'll look at the different plans. MODERATOR TO COLLECT OVERVIEW SHOWCARD</p> <p>First, let's look at Plan J / K / L. In pairs please discuss whether you think this is a plan that Affinity Water should or should not choose to follow, and why.</p> <p>HAND OUT SHOWCARD J / K / L (ROTATE ORDER OF THESE SO L / K / J IN 2ND GROUP) GIVE PARTICIPANTS TIME TO READ THESE. WORK IN PAIRS TO DISCUSS AND ENCOURAGE THEM TO ANNOTATE HARD COPIES THEY HAVE TO RECORD KEY POINTS.</p> <p>MODERATOR NOTE: - IF ASKED, PLANS NAMED J/K/L (NOT A/B/C OR 1/2/3) TO AVOID BIAS - ENVIRONMENTAL PILOT PROJECTS – £6M VS £2M WOULD INCREASE SCALE; involve more customers and others, and allow more work with more partners</p> <p>Overall, from your point of view is this an acceptable plan or not for Affinity Water to choose?</p> <ul style="list-style-type: none"> - Why do you say that? - What stands out to you? - Which parts, if any, did you like? - Which parts, if any, do you <u>not</u> like? <p>Do the proposals in this plan help to meet the priorities we identified as important earlier? REFER BACK TO FLIPCHART FROM EARLIER In what ways?</p> <ul style="list-style-type: none"> - What questions do you have? - What further information would you like? <p>REPEAT ABOVE FOR REMAINING x2 SHOWCARDS (10-15 MINUTES EACH) – GIVE PARTICIPANTS TIME TO READ THESE. STRESS THAT EACH OF CARDS IS DIFFERENT. <u>LEAVE PREVIOUS SHOWCARDS WITH PARTICIPANT TO ALLOW COMPARISON AND TALK THROUGH THESE IF NECESSARY.</u></p>
<p>7.30- 7.50pm (20 mins)</p>	<p>Choosing and communicating</p> <p>MODERATOR TO HAND OUT COMPARISON SHOWCARD</p> <p>This card shows all three of the plans you have looked at, alongside the current situation for Affinity Water customers. Taking into account everything you have read, which would you prefer Affinity Water chooses as their plan for 2020-2025? Again, I will give you a minute or so to read the card. Please write your decision on a post-it note. It won't be a secret ballot I'm afraid...</p> <p>COLLECT POST IT NOTES AND TALLY VOTES</p>



	<p>Why did you choose J / K / L?</p> <ul style="list-style-type: none"> - Was this an easy decision? - Did anyone want to choose something entirely different, or different parts of a combination of J / K / L? - Would anyone prefer none of them? Why? <p>You may have noticed that each of the Plans involves targeting a reduction in the use of water by individuals by around 1/5th or 20%. How do you feel about this?</p> <ul style="list-style-type: none"> - Is this realistic, or not? - Why do you say that? <p>Now thinking about how you would like to Affinity Water to communicate these plans to you.</p> <p>How do you think Affinity Water should communicate with their customers?</p> <ul style="list-style-type: none"> - PROMPT: online (website, social media), in print (letters, leaflets), in person (home visits, information stands) - Why do you say that? - Why would you prefer that method of communication? <p>ASK PAIR TO START FOR MOST POPULAR OF J / K / L</p> <p>AFTER FEEDBACK, ASK FOR POINTS OF DIFFERENCE FROM OTHERS (MAKE SURE ALL PAIRS HAVE PROVIDED FEEDBACK)</p>
<p>7.50- 8.00pm (10 mins)</p>	<p>Conclusions</p> <p>Thinking about everything we have talked about this evening, I would like you to take one post-it and, individually, write down the one thing you would like to feedback to Affinity Water and what they should do in the future.</p> <p>FLIPCHAT POST-ITS AND DISCUSS</p> <p>THANK AND CLOSE</p> <p>HAND OUT THANK YOU PAYMENTS WITH INCENTIVE SHEET</p> <p>SWITCH OFF RECORDER</p>

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