



South Staffs & Cambridge Water

Social Tariffs Research

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Contents

- 1 Background, Objectives & Methodology (slides: 3-16)
- 2 Conclusion and Recommendations (slides: 17-23)
- 3 Context setting - Cost of living and affordability of water (slides: 24-36)
- 4 Cross-subsidy - Awareness & acceptable cross-subsidy levels (slides: 37-62)
- 5 Matched funding Views & impact on to cross-subsidy (slides: 63-71)
- 6 Improving Assure - Structure, Assure journeys and promotion (slides: 72-92)
- 7 Essential Use - Support levels, barriers & considerations for trial (slides: 93-111)
- Appendices (slides: 112-124)



Background to the project

- This research study was designed to contribute to two key aspects of South Staffs (SSW) and Cambridge Water's (CAM) high-level research journey for PR24 and ultimately inform the design of the PR24 business plan relating to customer affordability support:
 1. **Assessing the changes in the value customers place on service improvement** – social tariff contribution level testing
 2. **Continuing to transform the customer experience** – vulnerable customer deep dives into affordability
- This PR24 cycle has coincided with the UK experiencing record levels of inflation, economic and political upheaval leading to an unprecedented cost of living crisis affecting many households. This is particularly pertinent to the SSC regions, as Cambridge has an already above-average cost of living, while South Staffs contains communities with an above average levels of deprivation.
- The impact of the cost of living on water companies, such as SSC, is that more customers may struggle to pay household bills. Firstly, this could increase the number of customers who are in need of financial support from SSC as their bills become more difficult to pay. Secondly, more customers might feel they have limited scope to pay more to contribute towards investments. These conflicting challenges are critical context to the core aim of this project, which is to assess customers' willingness to contribute a higher cross-subsidy level in order to help more customers access Assure, SSC's social tariff scheme.
- Alongside this, the project aimed to explore a range of different ways to make SSC's Assure scheme, which provides households who are eligible with a discounted water bill, more impactful and the funding stretch further. This included shareholder match funding, changes to the eligibility criteria, structure, promotion and communication of Assure.
- Beyond the social challenges that exist in both SSC regions, the regions also face environmental concerns regarding the need to conserve water for the future. This is relevant to future challenges around metering, why is why an affordability tariff for metered customers that SSC is planning to pilot in 2024 was also tested with customers. This proposed new tariff aims to also encourages water saving behaviour change as a way for eligible customers to save money on their water bills.

Objectives

The core aim of this project was to engage with customers about the future development of the Assure tariff. In addition, it was important to establish customer views towards a possible new affordability tariff (currently known as 'essential use') aimed at those who are struggling to pay their water bills, but who don't qualify for Assure due to their household income being too high.

More specifically, the research needed to meet the following objectives;

- **Establish** what level of cross-subsidy contribution to support the Assure tariff customers feel is acceptable amongst a robust and representative sample of customers
- **Understand** preferences for the level of support provided by Assure to establish if the current discount structure is still the most appropriate & aligns with the needs and preferences of customers
- **Explore** understanding & preferences for the potential 'Essential Use' affordability tariff and determine preferences for the way this should operate, including eligibility and qualification criteria
- **Establish** if, in principle, customers support the introduction of the 'Essential Use' tariff
- **Ensure** the views of vulnerable customers are well covered in the research, including those on the Priority Services Register (PSR), those in receipt of support with paying their bills & digitally disengaged customers
- **Ensure** the views of stakeholders who support struggling customers are understood to provide a 360° assessment of existing support and how to best structure this moving forward.



Methodology overview

Qualitative method



Stakeholder depth interviews

- Big picture overview of all study objectives
- 6x 45-minute depth interviews on Teams
- Solo or paired
- Local stakeholders focused on affordability



Household customer groups

- Attitudes to contributing more & Essential Use
- 4x 90-minute focus groups on Zoom
- 6 participants per group
- General household customers



Co-development workshops

- Improving Assure, raising awareness, Essential Use
- 2x 3 hr sessions, 14 customers per workshop
- Customers on Assure and eligible for tariffs
- Face-to-face – 1x Cambridge, 1x Walsall

Quantitative method



All surveys focused on cross-subsidy level & Essential Use

10 x cognitive testing interviews via Zoom

Direct survey: 1,077 completes

- Online survey link sent directly to customers by SSC
- General household customers (2.2% response rate)

Panel survey: 130 completes

- Online survey via a commercial panel partner
- Cambridge Water customers top-up sample

Vulnerable top-up survey: 99 completes

- Face-to-face survey on iPads
- Digitally disengaged / struggle to complete alone

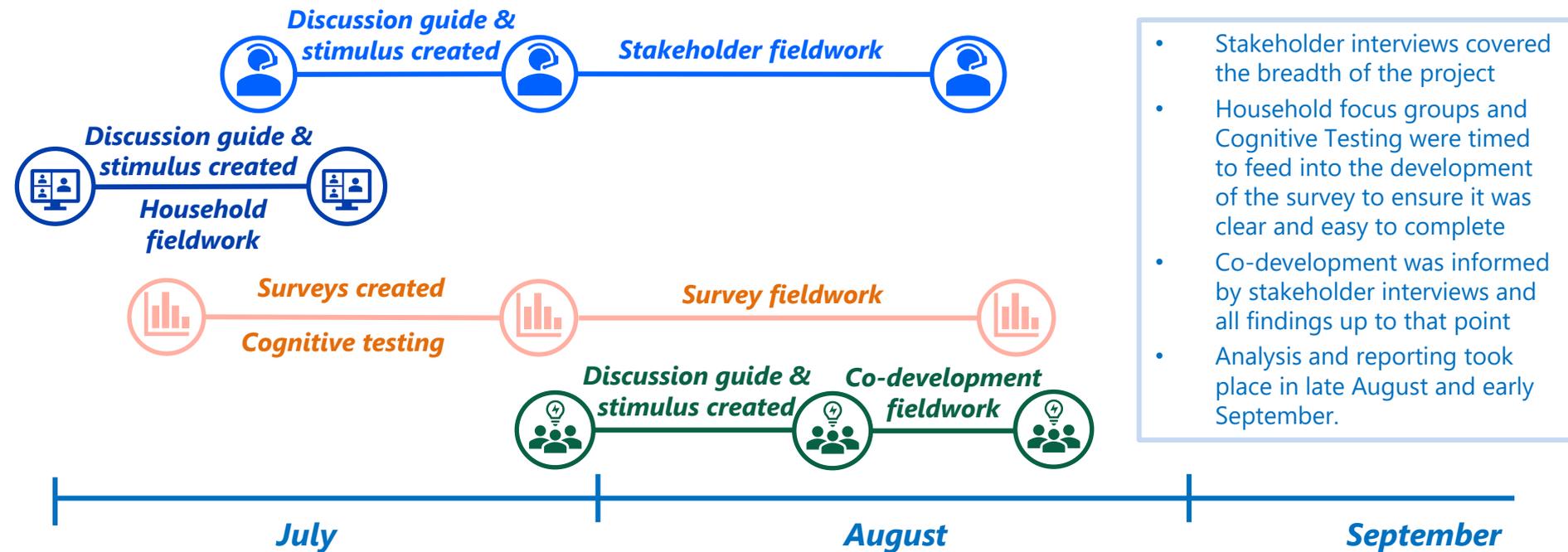
PSR survey : 23 completes

- Telephone survey
- Priority Services Register customers

H2Online community survey: 31 completes

- Online survey link sent via H2Online
- H2Online community members

Summary of research approach and timings



- Stakeholder interviews covered the breadth of the project
- Household focus groups and Cognitive Testing were timed to feed into the development of the survey to ensure it was clear and easy to complete
- Co-development was informed by stakeholder interviews and all findings up to that point
- Analysis and reporting took place in late August and early September.

- Note, that **future bill payers** were not included in the research because the focus of the research was on current levels of affordability with water bills and on the cross-subsidy paid, so the project scope was focussed on current bill payers.
- Also, note that **non-household customers** were not included because the focus of the research was on supporting household customers and the cross-subsidy paid by households.

All research materials found in the Appendices

Glossary of schemes and initiatives tested

Tested	Explanation	Household focus groups	Stakeholder depth interviews	Co-development workshops	Quantitative Surveys
Cross-subsidy contribution	How much are customers willing to contribute to cross-subsidy amount above existing £5 per year?	✓	✓		✓
Shareholder matching	Should shareholders match contributions above £5? Would it increase customer contributions?	✓	✓		✓
Increase Assure eligibility criteria	Should Assure eligibility be increased above current threshold of £19,050 annual household income?	✓	✓	✓	
Assure structure Option A or B	Should Assure discount be reduced from 60% year 1 /40% year 2 (Option A) to 40%/30% (Option B) to support a greater number of customers?	✓	✓	✓	✓
Promoting Assure	How can the community outreach teams best promote Assure – where should they focus on?		✓	✓	
Digital calculator	Do customers support the introduction of an online calculator that checks their eligibility for support?			✓	
Hard / soft renewal	Should customers automatically roll over on Assure after 2 years or have to fully re-apply?			✓	
Essential Use tariff (EssU)	Support for new tariff for customers £19-25K annual household income, offers 50% off essential water use?	✓	✓	✓	✓

Explaining the current Assure and Assure Assist tariffs

- For clarity, outlined below is a summary of the Assure tariff and Assure Assist as they existed at the time of the research. These visuals were used in both the qualitative and quantitative stages, along with explanatory text.

Additional	Total
WHAT IS THIS TARIFF?	Standard discount tariff if customers are struggling to pay your water bill
DO CUSTOMERS NEED A WATER METER?	No
HOW DO CUSTOMERS QUALIFY FOR SUPPORT?	Total household income must be less than £19,050 a year (excluding any benefits) (If customers have dependent children at address, add £1,500 per child to the income) OR Receive Pension Credit Guarantee Element
DETAILED ELIGIBILITY	Income doesn't include: <ul style="list-style-type: none">• Disability benefits (e.g. DLA, PIP)• Carer's allowance• Housing or Council Tax benefit
WHAT DO CUSTOMERS RECEIVE?	Discounted 2-year tariff Year 1 is 60% discount Year 2 is 40% discount

'Assure Assist'

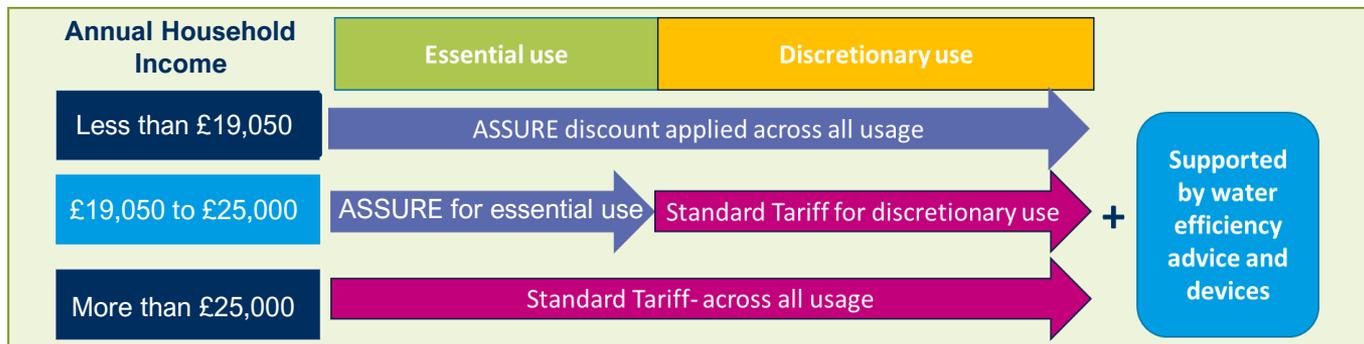
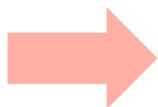
Exists for customers who have **no income at all**

Offered for 8 weeks at a **100% discount** before dropping down to 60%

Explaining the proposed 'Essential Use' Tariff

- The visuals below summarise the new 'Essential Use' tariff and were shown in both the qualitative and quantitative stages to help explain the tariff, alongside explanatory text.

New tariff to be trialled



Who?

- Metered customers only – customers can switch onto a meter if they don't have one
- Income too high for Assure, but likely still struggling to pay their bills
- Household income between £19,050 and £25,000
- 'Income' doesn't include Disability benefits, Carer's allowance, Housing / Council Tax benefit

How?

- Assure discount applied, but ONLY on essential water use
- 'Essential use' is worked out based on number of people in a household
- Anything over the essential water level is charged at normal rate

Qualitative sample overview

Household focus groups x23

6x Group 1: SSW, BC1, Pre/young family
6x Group 2: SSW, C2DE, Older/post family
5x Group 3: CAM, BC1, Older/post family
6x Group 4: CAM, C2DE, Pre/young family

Broad mix of regionalised quotas on:

- Gender
- Life stage
- Ethnicity
- Urban / rural
- Metered / unmetered

Took place 17-20th July 2023

Stakeholder interviews x6

2x stakeholders in CAM
3x stakeholders in SSW
1x stakeholder in both regions

Mix of organisations / charities:

- Local authorities
- Social housing providers
- Poverty and money advice
- Older people support

Took place 28th July – 21st August 2023

Co-development workshops x26

14x participants in CAM
12x participants in SSW

Participants eligible if they:

- 8x On Assure
- 9x Qualified for Assure (< £19K household income)
- 9x Would qualify for the Essential Use tariff (£19-25K household income)

Broad mix of quotas on:

- Gender
- Life stage
- Employment
- Ethnicity
- Disability
- Metered / unmetered

Took place 15-16th August 2023

Cognitive testing interviews x10

5x participants in CAM
5x participants in SSW

Targeting groups that could be more likely to struggle with completing an online survey alone.

Mix of quotas, but targeting:

- English not first language
- Disabilities and mental health
- C2DE social grades
- Older people

Took place 24 – 26th July 2023

[Full sample breakdown in Appendices](#)

Ensuring a representative sample for the quantitative survey

- All surveying took place between Friday 28th July and Monday 20th August 2023
- Considerable effort was made to ensure that the final, reported survey sample was representative of the individual SSW and CAM customer bases and the SSC customer base as a whole.
- Specifically, the following approaches were undertaken during the fieldwork period;
 - Before a sample of contacts were extracted for the Direct Survey the SSC customer base was profiled based in key account and demographic criteria and contacts were extracted at random in line with this profile
 - A 'top-up sample' of CAM customers was collected via an online panel to supplement the Direct Survey
 - Harder-to-engage customer groups who may not respond to online surveys were targeted directly (see later slide)
 - The profile of survey completions from the Direct Survey was monitored throughout the fieldwork period to enable SSC to issue targeted reminders if required (in the end they were not required).
- On completion of the fieldwork period, data from all surveying methods was combined into a single dataset for analysis
- Weighting was applied to ensure the final profile of SSW respondents and CAM respondents matched the customer base and to ensure that the combined SSC sample was representative of all SSC customers;
 - For SSW and CAM, weights were applied based on gender, age and meterage to match the customer profile and for social grade to match the profile of each region from Census 2021 data
 - Weighting was also applied to correct the proportion of SSW and CAM customers in the combined SSC sample (corrected to: SSW 79.7%, CAM: 20.3%) as CAM customers had been deliberately over-sampled in the survey for analysis purposes
 - Other profiling criteria (e.g. ACORN, IMD etc.) were audited after weighting to ensure the weighted profile was accurate.
- At the 95% Confidence Interval, based on the 'All SSC respondents' sample, all findings will be accurate to within +/- 3.0%.

Survey sample summary – age and gender

- The table below shows the unweighted and weighted profile of SSW/CAM survey respondents for age and gender;

Weighting Criteria	Customer Base (SSW)		All SSW respondents			Customer Base (CAM)		All CAM respondents		
	%	n	%	n	%	%	n	%	n	%
Gender (profile from SSC database)										
Female	46%	420	48%	480	46%	42%	211	48%	110	42%
Male	54%	452	52%	574	54%	58%	227	52%	151	58%
Other (SSC database) / Other/Prefer not to say (Survey)	-	25	-	30	-	-	25	-	15	-
Age (profile from SSC database)										
18-24	1%	13	1%	15	1%	2%	14	3%	4	2%
25-34	13%	90	10%	139	13%	15%	49	11%	41	16%
35-44	19%	151	17%	202	19%	22%	60	14%	57	22%
45-64	37%	329	38%	388	37%	35%	132	30%	92	35%
65-74	14%	185	21%	148	14%	13%	110	25%	34	13%
75+/75-80	15%	105	12%	163	15%	14%	79	18%	36	14%
No data (SSC database)/Prefer not to say (Survey)		24		29			19		11	
Total		897		1,084			463		276	

Survey sample summary – meterage and social grade

- The table below shows the unweighted and weighted profile of SSW/CAM survey respondents for meterage and social grade.
- Further profiling information is available in the Appendices.

Weighting Criteria	Customer Base (SSW)	All SSW respondents				Customer Base (CAM)	All CAM respondents			
	%	n	%	n	%	%	n	%	n	%
Meterage (profile from SSC database)										
Metered	43%	452	51%	458	43%	76%	318	71%	202	76%
Unmetered	57%	437	49%	617	57%	24%	129	29%	64	24%
Not sure (Survey)	-	8	-	10	-	-	16	-	10	-
SEG (profile from Census 2021)										
AB	21%	249	31%	205	21%	42%	212	51%	101	41%
C1	31%	184	23%	302	31%	34%	111	27%	82	33%
C2	23%	127	16%	224	23%	13%	23	6%	31	13%
DE	25%	246	31%	244	25%	14%	71	17%	34	14%
Prefer not to say (Survey)	-	91	-	110	-	-	46	-	27	-
Total		897		1,084			463		276	

Ensuring participation from hard-to-reach customers groups

- The research used a multi-method approach to capture views from a diverse range of customers with targeted methods used to ensure that groups who may otherwise be excluded were included in the final samples, as follows;
- **Digitally disengaged:**
 - **Quantitative:** Surveying was predominantly carried out online, so methodologies were used to specifically ensure the inclusion of customers who are digitally disengaged and would otherwise be missed;
 - A face-to-face, interviewer administered CAPI survey targeted vulnerable and digitally disengaged customers and 62 respondents defined themselves as digitally disengaged (they 'Never' or 'Rarely' use the internet).
 - A telephone survey ensured customers on the Priority Services Register did not have to complete an online survey.
 - **Qualitative:** The online household groups could not accommodate participants who could not get online, but the co-development workshops (aimed at more vulnerable participants) were face-to-face, and effort was made to remove barriers to participation (i.e. accessible community venues, offer to pay for taxis and evening workshop to accommodate work/childcare)
- **English as a second language:**
 - **Overall:** 106 customers for whom English was not their first language were included in the research - 4 in the qualitative and 102 in the survey. In the qualitative, they were encouraged to have a friend or family member support them to take part if they wished, while the survey was cognitively tested with participants whose first language was not English to ensure it was as clear as possible.
- **Other disabilities and vulnerabilities:**
 - Information was collected on other disabilities and, in particular, for the co-development workshops participants were asked about access needs at the confirmation call stage. The quantitative survey was also cognitively tested and improved with groups who may struggle to complete the survey, such as those with cognitive disabilities and mental health challenges.

Respondents' feedback on their understanding of the survey

- At the end of the survey respondents were asked to assess how well they felt they had understood the survey and responses are shown below.
- In total, 93% said they found most of the questions 'very easy' or 'quite easy' to understand – in comparison, the equivalent proportion for the 2019 Social Tariffs survey was 98%.

D12. Overall, how easy or difficult was it to understand the questions in this study?



Base: All respondents (1,360)

Notes on reading this report

Identifying findings from the different research methodologies;

- To clearly identify the source of findings in the following sections the symbols below have been used
- These symbols appear in the top-right hand corner of each slide – see slide 7 for details of each methodology
- Multiple symbols denote that the findings on the slide are from more than one source.



Stakeholder depth interviews
Qualitative



Household customer groups
Qualitative



Co-development workshops
Qualitative

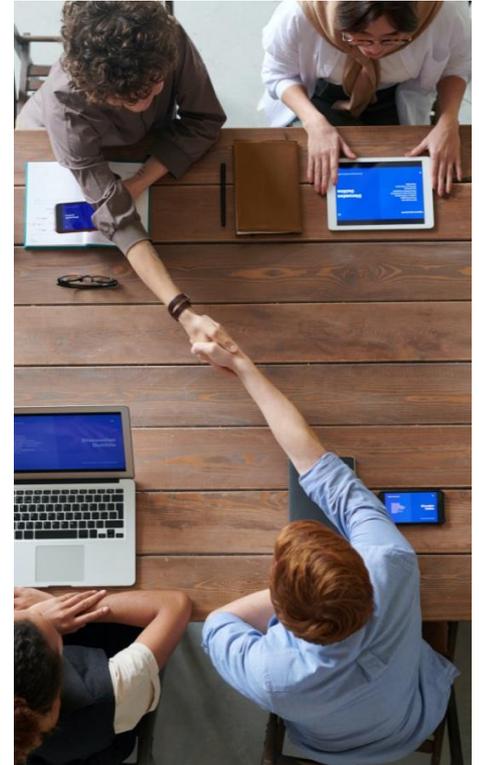


All surveying methods
Quantitative

Quantitative sub-group analysis;

- Throughout the report and based in the quantitative data, analysis has been carried out to identify statistically significant differences between key sub-groups
- These differences have been clearly identified as separate tables or within the commentary
- Additionally, some differences that are not statistically significant but offer important insight have also been highlighted, but it has been made clear in the commentary that these are not statistically significant.

Conclusions & Recommendations



1) Context of affordability must stay front of mind

- The impact of the cost of living crisis is widespread, affecting the majority of households in some way. However, some customers are facing these challenges more acutely due to their household situation, for example families, lone parents or carers. More and more households with working adults are struggling with their finances as a result of rising bills and stagnant wages.
- These financial challenges create various knock-on impacts for customers. Beyond the stress and anxiety caused by money worries, there is the exhaustion and real health impacts of the constant trade-offs, for example skipping meals, not putting the heating on, not showering or washing clothes.
- Water remains one of the more affordable bills at present (87% say they always pay 'on time'), with energy, rent/mortgages and food the biggest stresses. However, the water bill still contributes to the rising package of household bills.
- **Recommendation:** Be mindful that some customers will be struggling for the first time, while others will be struggling more than ever before as a result of their complex situations. Ensure this is considered when developing and promoting social tariff schemes i.e. there are schemes that meet their needs and that these are promoted sensitively towards their target audience.



2) An increase in the contribution level to £7.00 is acceptable

- The household focus groups identified that customers support the principle of contributing through their bill to help others who are struggling with water bills, despite low awareness of the existence of cross-subsidy.
- Also, customers recognise and accept that increasing costs mean that existing contribution levels won't allow SSC to help the same number of customers through Assure as they do currently and an increase is therefore required.
- **61% of SSC customers would support an annual contribution of £7.00** – this represents an increase of £2.00 a year from the current level of £5.00.
- The household focus groups highlighted that customers do not want to see fewer customers supported through Assure so are happy to pay £7.00 to ensure this doesn't happen (survey respondents were told £7.00 was required to maintain the status quo).
- The next level of contribution tested in the survey of **£8.00 was acceptable to 58% of SSC customers.**
- CAM customers have higher levels of acceptance for each level of cross-subsidy tested in the survey compared with SSW customers (this is despite being clearly informed that a proportion of their contributions currently funds Assure in the SSW region);
 - contribution of £7.00 - acceptable to 58% of SSW and 71% of CAM respondents
 - contribution of £8.00 - acceptable to 55% of SSW and 68% of CAM respondents.
- Evidence from the household focus groups suggests some customers would, in principle at least, be willing to pay more than £7.00 but their current financial circumstances can limit their ability to do so.

3) Matched funding would not lead to increased contributions

- The household focus groups highlighted that customers already hold a range of expectations, assumptions and opinions about the role of shareholders in funding Assure, so the concept of matched funding fits in around these views.
- This includes an assumption shareholders already contribute and/or an expectation they will contribute if customers give more, as well as concern about SSC taking credit for helping struggling customers when all contributions for Assure come from customers.
- These views inform the way matched funding is considered and the impact it may have on the level of customer contribution that is acceptable.
- In total, 20% would want to make a change to their initial *Maximum Acceptable Amount* with matched funding (this proportion is similar to that recorded in 2019 (21%) when a similar scheme was tested);
 - 11% would want to 'pay less'
 - 9% would want to 'pay more'.
- Generally, the NET impact of matched funding amongst 'All SSC respondents' would be to reduce levels of acceptability;
 - contribution of £7.00 – acceptability would reduce from 61% to 57%
 - contribution of £8.00 – acceptability would reduce from 58% to 53%.

4) There's majority support for '*Essential Use*' amongst target customers

- Based on the description in the survey, **48% of 'All SSC respondents' would 'Support' the introduction of '*Essential Use*'**
- Of the remainder, however, only 20% indicated that they '*Don't support*' this - respondents were more inclined to indicate that they '*Neither*' support nor don't support its launch (32%) than reject it outright.
- The qualitative research highlighted that the concept and its design raises a number of questions, concerns and considerations amongst customers and stakeholders that impact on how it's viewed and how far customers support the scheme at this stage.
- Evidence from the survey indicates that support is higher (it increases to 52%) where respondents feel they '*Completely understood*' the concept, suggesting that it will be crucial to explain the tariff successfully and answer customers questions to gain buy-in.
- The co-development workshops highlighted that the need to install a meter is a barrier to many unmetered customers - this relates to concerns about being metered per se, and a discount through '*Essential Use*' wouldn't off-set these sufficiently to drive uptake.
- **There is majority support (56%) amongst target customers** (those with an income between £19,050-£25,000);
 - Amongst metered target customers support increases to 64% (although this isn't significantly higher than unmetered).
- Introducing '*Essential Use*' wouldn't encourage customers to contribute more to help struggling customers (6% would '*pay more*').

5) Assure was positively received, but could be improved through some tweaks

- Customers and stakeholders were largely happy with the Assure scheme as it is, although some questioned if the eligibility threshold (under £19,050) was high enough due to the rising cost of living and the increase in 'working poor' households.
Recommendation: Consider increasing the eligibility threshold in line with inflation.
- Community gatekeepers were seen as a particularly effective way of reaching the Assure target audience. There is already a lot of good work here which received positive feedback from customers and stakeholder, and customers suggested focusing on partnerships with organisations that encounter the highest number of eligible, vulnerable customers.
Recommendation: Continue to focus community outreach efforts into the most effective partnerships with access to a wide range of vulnerable customers, such as food banks, money advice centres, charities and benefits offices.
- The journey onto Assure was generally seen as positive and smooth, with very few changes. The main request was a greater range of options to complete the application form and proof of income, especially mobile compatible methods.
Recommendation: Develop online, mobile compatible application form and easy methods to submit proof e.g. WhatsApp.
- The idea of a digital calculator was positively received, but needs further development and testing before launch.
Recommendation: Consider the ideal functionality and purpose of the digital calculator and check what is possible. Build on learning from this feedback and other similar calculators to develop a working version. Conduct iterative UX testing.
- Customers do not appear to want much communication while on Assure, but would rather only hear from SSC when there is a change to their tariff. Any comms to be tailored to their preferences, as customers pay attention to different channels.
Recommendation: Collect comms preferences on the Assure application. Send comms 6-8 weeks ahead of tariff changes.
- Customers preferred a 'harder' renewal process than was currently available, and felt it was unfair for Assure to just roll over.
Recommendation: Have customers self-certify or re-submit proof of income before Assure rolls on, support customers who are leaving through supportive comms that signpost to other support and welcome them back to Assure if they need.

6) Contribution to Golden Threads

- South Staffs and Cambridge Water have identified five 'golden threads' that have emerged from their engagement programme, 4 identified in 2021 and the cost of living crisis arriving in early 2022 to make a fifth. This piece of research contributed to the golden threads themes in the following ways:
 - **Transparency and engagement:** Great care was taken in the research to inform customers of the upcoming likely bill increases as well as their existing contribution to cross-subsidy so they could contextualise their opinions. Customers clearly appreciated the openness and transparency of this, although some were currently unaware that they were already cross-subsidising bills. They would like more transparency on how financial support schemes are funded, especially when understanding how much is contributed by the water company, or its shareholders. There was also limited awareness on why water conservation and water saving techniques were necessary, which presented as a barrier to buying in to the Essential Use tariff.
 - **Fairness and collective responsibility:** Customers and stakeholders supported the Assure scheme and concept of cross-subsidy, which is a clear example of a desire for collective responsibility to support customers in financially vulnerable circumstances. Customers felt the Essential Use tariff also should take on an element of fairness by providing additional water allowances for households that have medical conditions.
 - **Concern regarding the environment:** This study did not directly focus on customers' preferences or views about protecting and restoring the water environment.
 - **Protecting vulnerable customers:** This research centred on protecting customers in vulnerable circumstances, not only financial but mentally and physically vulnerable too. Customers and stakeholders clearly felt that vulnerable customers needed multi-agency support and that the water company should be part of a holistic support system.
 - **Affordability:** The primary research aim was to address the affordability offer. Affordability of bills was a key theme and the cost-of-living crisis is impacting many customers' ability to pay their bill, but the affordability support available through Assure was seen as fit-for-purpose, with a few suggestions made on how to improve it.

Context setting

Cost of living and affordability of water

Stakeholders seeing rise in those experiencing money problems for the first time



- As part of the research, 6 stakeholders were interviewed to give their views on the entire breadth of the project objectives. Their expert perspectives are indicative of the issues at hand, and a quick summary of the project findings. The relatively small sample was chosen to target experts with a breadth of knowledge and be proportionate to the research objectives.
- **Who is struggling financially at the moment according to stakeholders?**
 - Certain households are more likely to be facing reduced income and higher outgoings: families, lone parents, older people (pre-pensionable age), carers.
 - As has always been the case, customers with complex lives and multiple issues are most acutely affected – this shows the importance of multi-agency partnering.
 - Since the cost-of-living increases, some households are struggling for the first time – many are still in shock, carry with them shame and unfamiliarity, and also don't know how to navigate the system. ***It's important to be extremely sensitive to this group: don't assume they know the system & make them feel it is ok to accept help.***
- **Stakeholder awareness of Assure / other support**
 - Some stakeholders were highly aware of Assure and other types of financial support offered by water companies, while others not so much and were only vaguely aware.
 - Other popular options for offering support were grants, fuel and food vouchers.
 - Most tried to offer budgeting and money advice alongside short-term help.
 - Positive feedback on outreach for South Staffs and Cambridge – stakeholders felt SSC is visible and present in the community, just need more of the same and wider reach.



Stakeholders want Assure to help 'most in need' & concern about the potential stress caused by 'water rationing' from the Essential use tariff



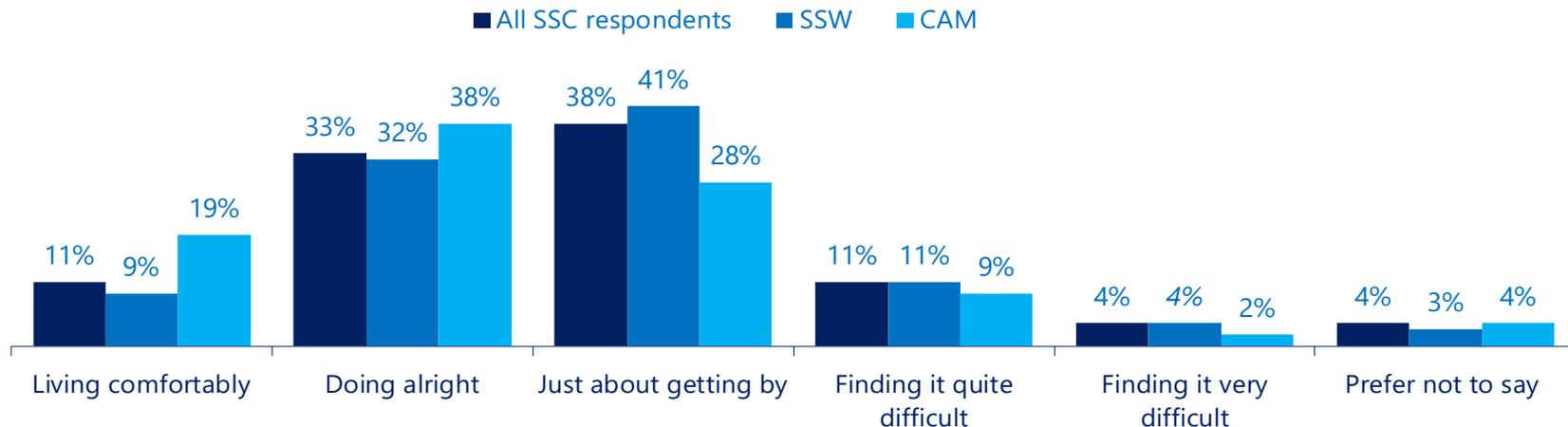
- **Views on Assure:**
 - Assure as a scheme was well received but not life-changing, however any help is certainly better than no help.
 - Views on increasing the income threshold eligibility criteria above £19,050 varied depending on the target group of the stakeholder organisation – the ones who help struggling customers on higher incomes think it should be higher, whereas those who deal with customers on very low incomes and benefits think the threshold is helping the right people. If it were raised, there is no clear consensus on where to raise it to.
 - When it came to the possibility of reducing the discount level in order to help more people, stakeholders were unanimously against this, as it would downgrade the quality of support beyond a point where it was helpful.
- **Cross subsidy impact:**
 - Overall, stakeholders understood and supported the need to increase the Assure pot despite concerns that most people are struggling in some way with cost of living and making difficult choices, so may not be able to afford an increase.
- **Shareholder match funding:**
 - Stakeholders were fine with this proposition, they saw it as positive for the customer as it will help 'top up' the pot.
- **Essential Use tariff:**
 - Mixed views on Essential Use tariff idea. There was clear concern about potential unhealthy water restriction and mental health impact of worrying about going over the limit, especially for the most financially vulnerable.
 - There was some confusion over the scheme itself and who it would help, which they saw as very variable depending on circumstances. There is lots to weigh up as to whether it's a good and successful idea.

More than half of customers are just about getting by or finding things difficult



- The question is part of OFWAT's suite of questions for PR24 Acceptability & Affordability Testing and was included in the Social Tariffs survey to understand how respondents are dealing with the cost-of-living increases. It sets the scene for unpacking affordability.
- Although 15% of 'All SSC respondents' are finding it '*...quite difficult*' or '*...very difficult*', most consider themselves to be somewhere in the middle of this scale and either '*doing alright*' (33%) or '*just about getting by*' (38%).
- This is true of both SSW and CAM respondents, although CAM respondents generally consider themselves to be in a better financial situation than SSW ones, with a significantly higher proportion considering they are '*living comfortably*' (19% vs. 9%). This is likely to reflect differences in levels of affluence between the two regions (e.g. a higher proportion of customers in social grades AB in CAM).

Q34. Overall, how well would you say you are currently managing financially?



Base: All respondents (1,360) / All SSW (897) / All CAM (463)

Cost of living crisis is widespread, but affects some more than others



- **Cost of living crisis experienced by most customers in some way:** energy, food, mortgages, rents all cited as increasing considerably quicker and more than their income, causing people to have to act differently to get by. Some households aren't struggling with bills, but are certainly more conscious of money than they once were.
- Stakeholders backed this up, having noticed an increase in the volume of people struggling financially as more households need financial support than ever before. This includes many who have never struggled before.
- **Some groups appeared to be hit harder than others by recent financial challenges:**
 - **Families and lone parents:** For these customers, the additional outgoings are often too much to manage.
 - **Single younger people:** Stakeholders in particular noticed people struggling to manage household costs on one income, who often had little or no savings or property to cushion financial shocks.
 - **Older people:** Mixed group as it depends on their age and eligibility for state benefits. Some stakeholders noted an increase in older people, who traditionally haven't come forward for help due to generational attitudes (e.g. pride, stoicism) finding it hard to ask for help. Vulnerable to inflation if on a fixed income.
 - **Health and disability:** Customers with long-term physical and mental health problems and or who care for others with health issues are likely to struggle with finances due to limited income and additional costs.
 - **Working poor:** It used to be that employment meant households could usually cover their bills, but this is no longer the case for those, mainly on lower paid jobs. This came through strongly from customers themselves as well as stakeholders.
 - **Squeezed middle:** Household incomes of £30k a year or more (especially in the CAM region) talked about struggling financially – given the higher cost of living. There is little income left at the end of each month after all expenses.

Groups most affected by cost of living crisis: quotes



"In the past, they were low income households who are kind of familiar with the benefit system and, you know, unfortunately in a situation where they were struggling, most of the time. But when I can say as early as April 2020, we saw people who had never been in the situation before. So people who didn't have a clue how to navigate the benefits system didn't really want to either, you know, they had this sense of shame, really embarrassed about having to do this."

Stakeholder, CAM

"The number of referrals we've had in money matters, has really, really increased in this cost of living crisis."

Stakeholder, CAM

"They may be a couple where one person is pension age, the other person's very young. They could be in their 40s in their 50s. The partner may be in their 70s in their 80s. There are older people caring for their children who are still living with them with a disability."

Stakeholder, SSW

"My son, he's 15, and he eats like a horse. So with the cost of food, I'm always trying to compensate"

Co-dev, Assure eligible, SSW

"I've not met anyone immune to it"

**HH, pre fam/young fam
ABC1, SSW**

"It used to be mainly unemployed, or economically inactive people. And now you've seen a bit more of a blurred line between whether people are working or not and suffering."

Stakeholder, SSW

"We find it's the younger single people, and families, you know, with children. Lone parents, especially, that are really, really struggling."

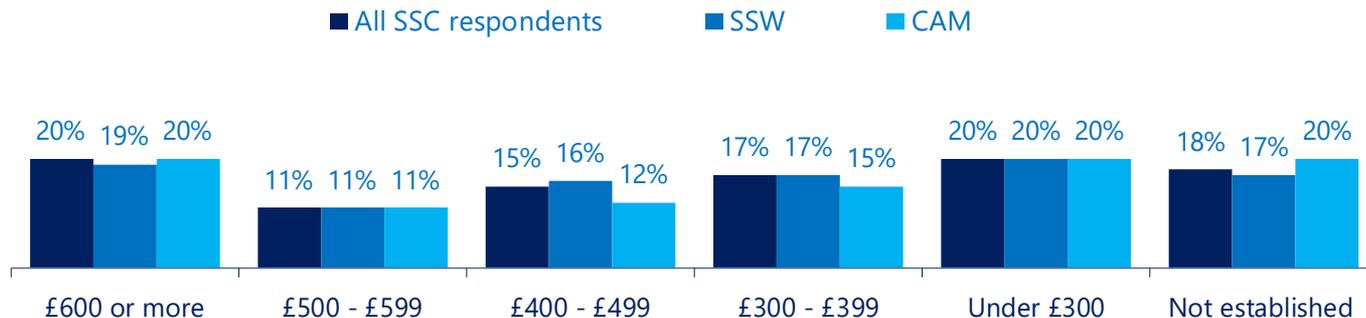
Stakeholder, CAM

On average, survey respondents report an annual total water bill of £474



- At the very start of the survey respondents were asked if they were aware that SSW/CAM just supply clean water services – 69% of 'All SSC respondents' said they were aware of this and this figure was virtually identical amongst SSW (68%) and CAM respondents (69%).
- Regardless of whether they understood that SSC only provides clean water or not, respondents were asked to outline their total water bill and this is summarised in the chart below – data showing clean water bills is outlined in the appendices.
- Note, that it wasn't essential to the survey that respondents were able to say what their water bill is and, as the data below shows, 18% were unable to provide an estimate of this. However, asking respondents to think about their bills early on helps to place later questions about levels of cross-subsidy into context against their current bill.

Q4a-Q4b Annual total water bill



MEAN - SSC: £474
- SSW: £475
- CAM: £467

Note for reference

In 2023/24 the average combined bill is;
- SSW: £379
- CAM: £401

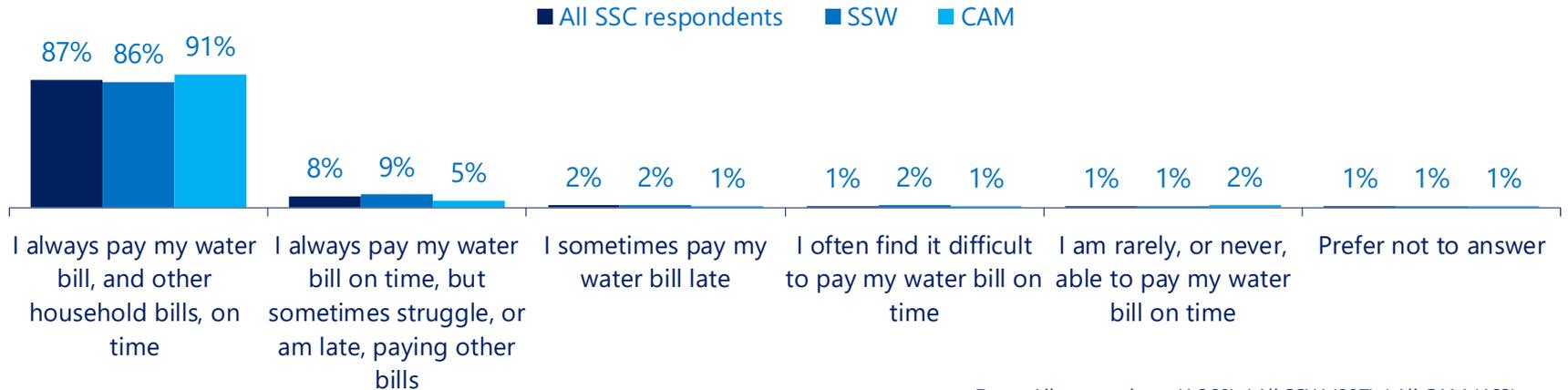
Base: All respondents (1,360) / All SSW (897) / All CAM (463)

Water bills are considered to be affordable for the majority



- Immediately after being asked to provide their total water bill (and before respondents were provided with detail about the proportion of the bill that covers clean water) respondents were asked about general affordability of household bills, as shown below.
- It's evident that while the majority of 'All SSC respondents' seemingly have no problem paying their bills (87% always do so 'on time') there are others that struggle, as the qualitative research clearly highlighted.
- However they make up only a smaller proportion with 4% indicating that when it comes it paying their water bill they 'sometimes struggle', 'find it difficult...to pay...on time' or 'rarely, or never...pay...on time' (this is broadly similar amongst SSW and CAM respondents).

Q5. Which of the following best describes how affordable you find your water and sewerage bill and other household bills?

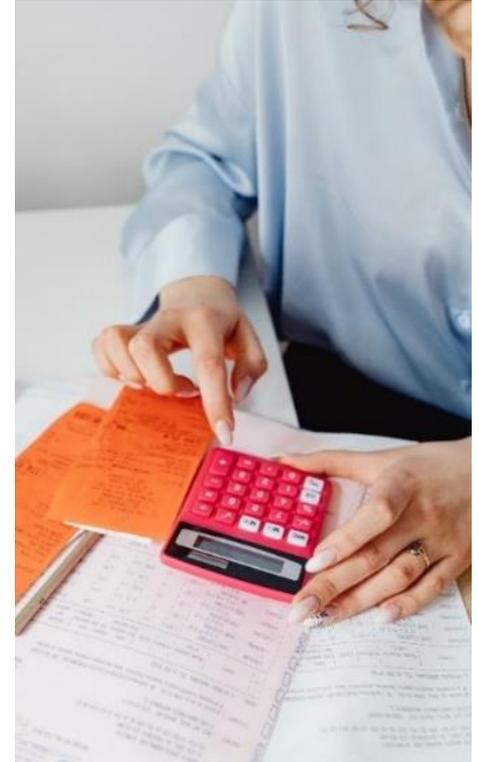


Base: All respondents (1,360) / All SSW (897) / All CAM (463)

Higher bills drive rising cost of living, but water remains largely affordable



- Stakeholders shared how their clients/customers are struggling more and more in the face of the rising cost of living.
- Customers in the co-development workshops also echoed this with first hand stories of financial difficulty and vulnerability.
- Even customers in the household focus groups, who were not financially 'vulnerable' and mostly in employment, were feeling the struggle. In short, all types of customer are struggling with the cost of living, but some feel it more acutely than others.
- Rising bills are the main worry and feels relentless, with the cost of living in Cambridge seen as particularly high versus other areas, such as the South Staffs region.
- **What bills and expenses are customers struggling with?**
 - Energy and food are the highest and quickest rising expenses
 - Housing costs were a major worry for private renters and mortgages
 - Water is lower down the worry list, most saw this as a comparatively affordable bill
 - Council Tax was seen as a priority to pay due to aggressive debt chasing
 - Households with children in struggled with additional costs of child-care, school uniforms, clothes, food etc. This was a particular worry as co-development groups took place in the summer holidays before schools returned.



Rising cost of living: quotes



"The increase in everything is just quite a bit of a strain as well as the interest on a mortgage; council tax, I think that's extortion now and obviously mortgage interest that has gone up £400 each month now, as well as our gas and electric, that's, I think £140 a month and it never used to be over £100, the general food shopping bill is absolutely extortionate now. So, everything's almost doubling apart from water which is still very affordable"

HH, pre fam/young fam C2DE, CW

"It's disposable income that is suffering"

HH, pre fam/young fam ABC1, SSW

"I'm currently always in my emergency credit, I live in it"

Co-dev, Assure eligible, CAM

"The water bill tends to be more flexible, the one that people worry about most is the council tax because the council send out all these letters with words they don't understand and they think that their bills don't make any sense... then it's gas and electric and then the water sits under that."

Stakeholder, SSW

"It's been incremental for me. It's just like everything was going up year on year. And wages aren't going up. So, you know, just like, everyone wants more from you kind of attack. South Staffs Water we want more, British Gas we want more, more, more!"

Co-dev, Assure eligible, SSW

"My mortgage will increase by £200 a month"

HH, older fam/post fam, C2DE, SSW

"Water is one of the lesser bills you have to worry about"

HH, older fam/post fam, C2DE, SSW

"If they've got no food, they've got no energy. And at this time of year, they need to get school uniform for the kids going back to school, I'm afraid the water comes as a really low priority."

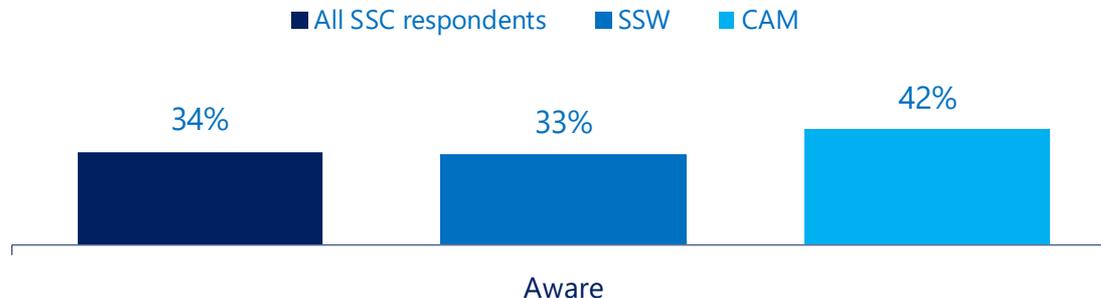
Stakeholder, CAM

There's limited awareness that water bills are likely to increase from 2025-30



- The business planning process was explained in the survey and this was accompanied by detail regarding the types of investment SSC is making to meet long-term challenges, including a growing population, changing weather patterns and increased pollution. The explanation shown can be viewed in the questionnaire (before Q6) in Section 3.1 of the *Supporting Documents* (see Appendix 5).
- It was also explained to respondents that bills are likely to increase for 2025-30 and a worked example of this increase was included in the survey based on the respondent's actual clean water bill (or an average customer bill if they were unable to provide their total bill).
- As this chart shows, 34% of 'All SSC respondents' said they were aware of the likelihood of higher bills during 2025-30.
- However, awareness was significantly higher amongst CAM respondents than SSW (42% vs 33%).

Q6. Before this survey, were you aware that your bill is likely to be higher on average between 2025 and 2030?



Base: All respondents (1,360) / All SSW (897) / All CAM (463)

Financial difficulty causes a range of negative impacts on customers



- For those who are most vulnerable, it was clear from the co-development workshops and stakeholder interviews that the rising cost of living is negatively impacting customers' finances, health and mental wellbeing, and it's the total package of bills that contributes to this impact – the water bill has a role to play despite being currently more affordable.
- **Constantly trading off essential choices:**
 - **Food:** skipping meals and poor nutrition, using food banks, changing supermarket or using multiple to find best deals
 - **Restricting utilities usage:** not putting the heating on, restricting electricity (not using appliances), restricting water (showering outside the home, not making a cup of tea)
 - **Lifestyle:** cutting back on even small luxuries, having to deny children activities / treats / days out, not socialising
 - **Finances:** borrowing money from family, entering emergency credit / arrears / credit card debt, living in finite savings
- **Everything is a decision and it is exhausting:**
 - **Constant worry:** many can't relax and are always thinking about money
 - **Every bill causes panic:** and it's the overall package of bills that tip households into debt, not one single bill
 - **Feels relentless:** constantly trading off what to pay and still barely breaking even, with no room for fun
- **Impact on mental health and outlook can be severe:**
 - **Mental health suffers:** customers reported anxiety, stress, depression, desperation and feeling the future looks bleak
 - **Isolation:** some keep money worries to themselves to shield others or out of shame, lack of money also limits socialising which can be very isolating
 - **Resignation:** more so than earlier in the year, there was a sense that some are resigned and numb to it – 'a new normal'

Impact of cost of living on behaviours and wellbeing: quotes



"I wait for three weeks until all my clothes are dirty, and I take them to a launderette, I don't have a dishwasher, I don't have a bath, and once a week I shower at the local tennis club. I don't use any water."

Co-dev, Assure, CAM

"Once a month I go to Iceland, and then the other three weeks I rely on food banks"

Co-dev, Assure eligible, SSW

"The only thing I'm living off is savings [not eligible for state pension], I hope I die soon because it's running out!"

Co-dev, Assure, CAM

"It was very much people suffering because they weren't using the heating as much or panicking about the heat, which was leading to more mental health around especially with smart meters because people will sit there and literally rather than watch the TV they'll sit there and watch their smart meter."

Stakeholder, SSW

"When the credit card comes normally we'd be able to just pay straight off with what we have, but it's savings having to spend savings now"

Co-dev, Essential Use eligible, CAM

"You have to make choices don't you? Decide what's important. So first thing is the rent. The second thing is that you're fed, the third thing is going to be bills and gas and electric."

Co-dev, Assure, CAM

Cross-subsidy

Awareness & acceptable cross-subsidy levels

Understanding views towards helping others generally



- At the start of the survey respondents were asked how far they agreed or disagreed with a series of statements about managing household finances and charitable giving.
- More specifically, they were also asked to indicate how acceptable they thought two schemes are that operate in a similar way to cross-subsidy in the water industry but are unrelated - namely *free bus travel for older people* and *providing discounted energy bills for those struggling to pay*.
- The purpose of this was to understand these views amongst the sample, but also to effectively 'warm-up' respondents and encourage them to think about actions they may take that help others, but they don't necessarily benefit from directly.
- With one exception the same questions were asked in the previous cross-subsidy survey in 2019 so year-on-year comparison can be made to understand how, if at all, views have changed over the last few years.
- Notably, since 2019 customers have had to deal with the pandemic and cost of living crisis, both of which involved short-term financial support schemes provided by central government which alter the context within which respondents are asked to think about social tariff cross-subsidy.
- Views are compared on the next few slides.



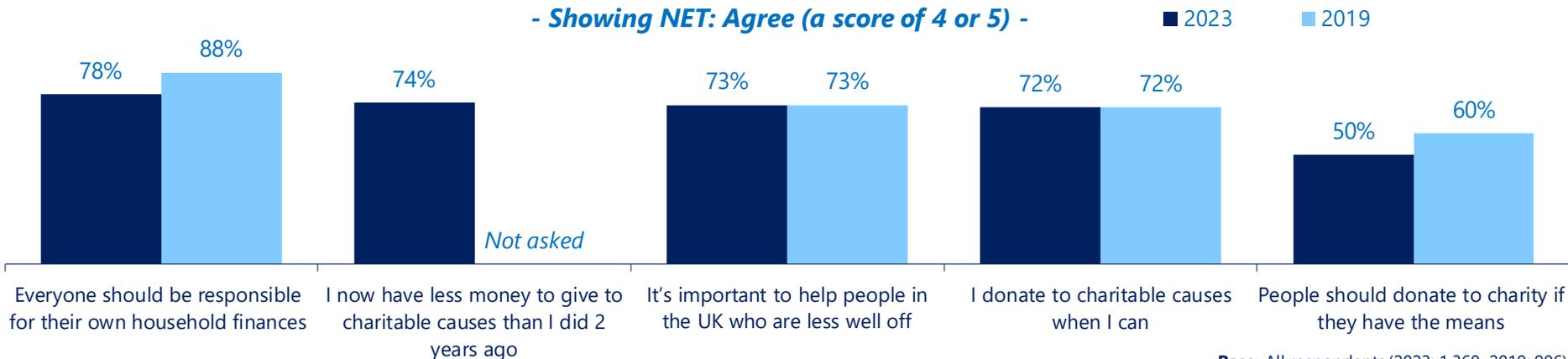
Some significant changes in attitudes are evident since 2019



- Respondents in 2023 were significantly less likely than those in 2019 to agree that *'Everyone should be responsible for their own household finances'* (down from 88% in 2019 to 78% in 2023). Even with this decline, it remains the case that this is a view shared by the majority.
- As wider context for their assessment of cross-subsidy later in the survey, it's notable that the majority agree that *'It's important to help people in the UK who are less well off'* and agreement with this hasn't changed year-on-year. Despite this, 2023 respondents were significantly less likely to agree that *'People should donate to charity if they have the means'* (down from 60% in 2019 to 50% in 2023).
- On a personal level, although no change was recorded in the proportion who agree that they *'...donate to charitable causes when I can'* a new statement for 2023 highlights that 74% feel they *'...now have less money to give to charitable causes than I did 2 years ago'* highlighting the impact of the cost of living crisis in particular.

Q1. Overall, how far do you agree or disagree with the following, on a scale of 1 to 5 where 5 is agree strongly and 1 is disagree strongly?

- Showing NET: Agree (a score of 4 or 5) -



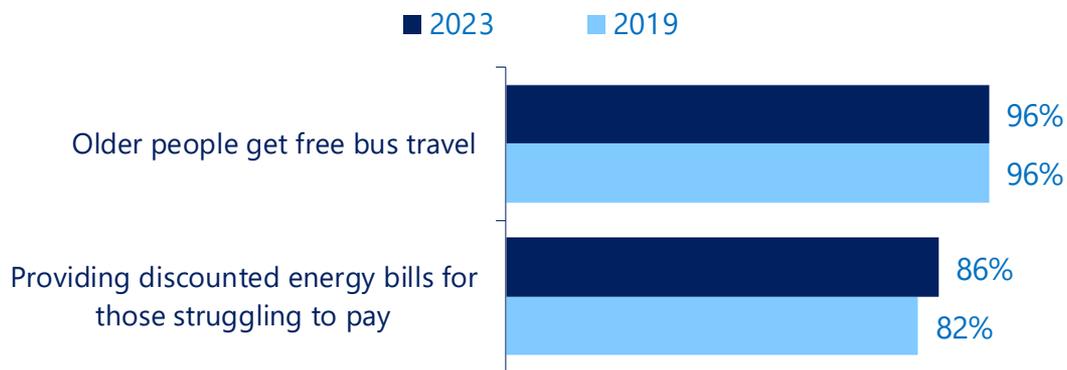
Base: All respondents (2023: 1,360, 2019: 906)

There remains widespread support for cross-subsidy in energy and bus travel



- The examples below were included to demonstrate how cross-subsidy works in other areas of society aside from the water industry.
- No change in acceptability of free bus travel for older people exists between 2019 and 2023 - there's almost universal acceptance of this.
- Notably, 2023 respondents were significantly more likely to consider that '*Providing discounted energy bills for those struggling to pay*' was acceptable than those in 2019 (an increase from 82% to 86%). Since 2019 there has been substantial government support for energy bills due to the cost of living crisis and it's possible that this has normalised this type of support, leading to a greater acceptance of it than was previously the case

Q2. How acceptable or unacceptable do you find this? - Showing NET: Acceptable -



Base: All respondents (2023: 1,360, 2019: 906)

Customers have a relatively low awareness of social tariffs in the water industry

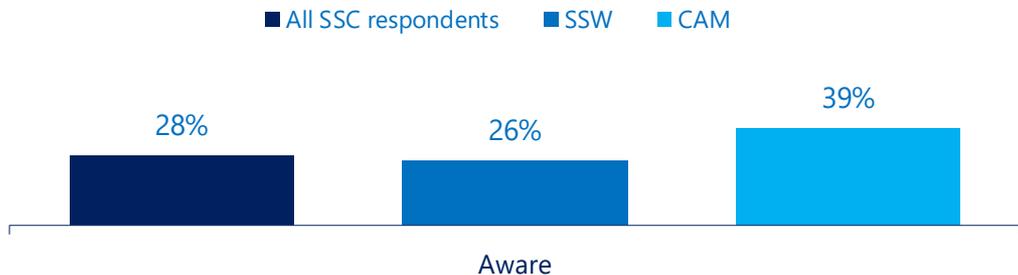


- In the survey the following general description of social tariffs and cross-subsidy in the water industry was presented to respondents and they were simply asked if they were aware of these types of schemes or not;

Now we'd like you to think specifically about how the water companies can support people who are struggling to pay their water bills. Most water companies now operate schemes called "social tariffs" which offer lower charges for those people with financial difficulties and who struggle to afford their water bills.

All customers pay an amount towards funding the scheme and this then goes directly towards helping other customers in their area. In summary, these schemes aim to reduce water poverty and make bills more affordable for those in need.

Q7. Were you aware of these type of schemes before this study?



Base: All respondents (1,360) / All SSW (897) / All CAM (463)

- As this chart shows, 28% of all survey respondents said they were aware of these types of schemes.
- Notably, awareness was significantly higher amongst CAM respondents than SSW (39% vs 26%).

Significant differences in awareness of water industry social tariffs amongst sub-groups



- The table below summarises significant differences in awareness of social tariffs in the water industry amongst key sub-groups;

Q7. Were you aware of these type of schemes before this study?				
<i>Summary of significant differences amongst sub-groups</i>				
Metered	34%	vs.	Unmetered	23%
Aware SSW/CAM only supplies clean water	32%	vs.	Unaware	20%
Male	32%	vs.	Female	24%
Social grades AB	35%	vs.	Social grade C2	23%
Social grades DE	32%	vs.	Social grade C2	23%
Annual HH income Under £19,050	31%	vs.	Annual HH income £19,050 - £25,000	22%
Currently on Assure	67%	vs.	Not currently on Assure	26%
Aware before survey that bills are likely to be higher between 2025-30	47%	vs.	Unaware	19%
Aware SSW/CAM is one company before the survey	54%	vs.	Unaware	23%
Aware of Assure before the survey	76%	vs.	Unaware	17%
"Living comfortably" / "Doing alright"	34%	vs.	"Just getting by" / "Finding it quite difficult" / "Finding it very difficult"	24%

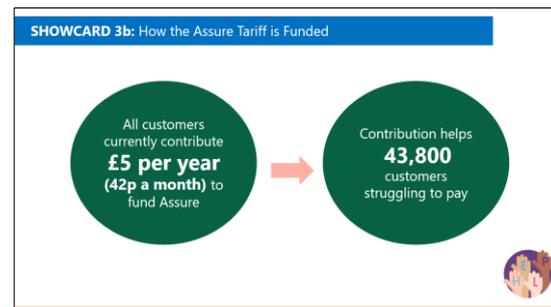
Contributing to help those who can't afford water bills was supported



- In the household customer groups, the notion of cross-subsidy was not familiar.
- Most were not aware that part of their water bill helps subsidise other customers who are struggling to pay their bill.
- Echoing the generally low level of awareness of social tariffs in the water industry in the survey, there was general surprise that a scheme like Assure exists which led to comments and questions whether those who are in need know about the scheme.
- Nobody in the household customer focus groups rejected the idea of the scheme once they knew it existed – and there was no real anger at finding out they were already paying £5, which is in contrast to the PR19 study. However, many would like to know and be told that they contribute to helping those who struggle to pay.
- Ultimately, seeing the monthly contribution amount evoked perspective; it was difficult to get angered by paying 42p a month to help those who are struggling.
- There was recognition that some people are really struggling financially and water is an essential need – so some form of help is required.
- However, for some a sense of mistrust emerged, wanting to know if the £5 was all ring-fenced for the Assure scheme or if part of it went to pay for wages, executive bonuses and dividends.

SHOWCARD 3a: South Staffs Water's 'Assure' Tariff	
Additional	Total
WHAT IS THIS TARIFF?	Standard discount tariff if you are struggling to pay your water bill
DO I NEED TO BE ON A WATER METER?	No
DO I QUALIFY FOR SUPPORT?	Your total household income must be less than £19,050 a year (excluding any benefits) (If you have dependent children at address, add £1,500 per child to your income) OR Receive Pension Credit Guarantee Element
DETAILED ELIGIBILITY	Income doesn't include: <ul style="list-style-type: none">• Disability benefits (e.g. DLA, PIP)• Carer's allowance• Housing or Council Tax benefit
WHAT DO YOU RECEIVE?	Discounted 2-year tariff Year 1 is 60% discount Year 2 is 40% discount

'Assure Assist'
Exists for customers who have **no income at all** Offered for 8 weeks at a 100% discount before dropping down to 60%



Reaction to cross-subsidy: quotes



"It's a nice idea because you can help people out without having to think about it. Sometimes if you're passing someone in the street and they are asking you for money you don't necessarily give it but for that price I think it's okay"

HH, pre fam/young fam C2DE, CAM

"If it helps someone that needs it, great idea"

HH, older fam/post fam, C2DE, SSW

"I'd like options (on contribution)...you want a choice don't you?"

HH, pre fam/young fam ABC1, SSW

"42p a month, I'm happy with that"

HH, older fam/post fam, C2DE, SSW

"For £5 that's fair enough if it's going to help that many people.

HH, pre fam/young fam ABC1, SSW

"So 42p a month isn't you know, it's neither here nor there really for a lot of us"

HH older fam/post fam, ABC1, CAM

"I think £5 in the big scheme of things isn't a lot. Me having that £5 isn't going to make a big difference to me but it obviously makes a big difference to a family that is really struggling"

HH, pre fam/young fam C2DE, CAM

"Disappointed it's not helping more (people) "

HH, older fam/post fam, C2DE, SSW

Introducing Assure and Assure Assist to survey respondents



- After introducing the concept of social tariffs in the water industry (and before questions were asked to measure levels of acceptance of different cross-subsidy levels) survey respondents were presented with a description of Assure and Assure Assist. This was included in the survey as follows (note, this was also summarised in a visual);

As the picture explains, customers with a household income of less than £19,050 per year, may qualify for a discount on their water charge.

When calculating household income, note the following;

- This amount excludes income from specific benefits received such as Housing Benefits or Personal Independence Payments.
- For any dependent children living at their address, an additional allowance of £1,500 per child may be added to the £19,050 per year income limit.
- Customers who are in receipt of Pension Credit (Guarantee Element) may also qualify for a similar discount.

If a customer is eligible for Assure (and their application is successful), their charges will be discounted, in the first year by 60% and then by 40% in the second and subsequent years, if they still qualify.

As well as Assure, [TEXT SUB South Staffs Water / Cambridge Water] also offers Assure Assist. Any customer that is temporarily receiving no income can apply for Assure Assist and it offers a discount of 100% for eight weeks. These customers can then continue on the Assure tariff for the remainder of the initial 2-year term.

Establishing the *Maximum Acceptable Amount* of cross-subsidy



- In order to measure levels of acceptability in the survey the Gabor-Granger technique was used, as it was in the 2019 survey.
- Firstly, it was explained that the current cross-subsidy level is £5.00 alongside the number of customers that this supports (see next slide). It was then explained that this level of contribution would support fewer customers during the period 2025-30 and that the contribution per customer would need to increase to £7.00 a year to support the same number of customers through Assure as now.
- All respondents were then shown the following description and asked how acceptable a contribution of £10.00 a year would be;

If the contribution was £10.00 a year it would mean that around 65,500 customers across both regions could receive help through the scheme. A contribution of £10.00 a year is equivalent to 83p a month.

- Respondents who found £10.00 '*Acceptable*'¹ were then asked how acceptable they would find higher levels of contribution to be – this continued until a *Maximum Acceptable Amount* or the highest contribution tested in the survey (£20.00) was reached.
- Respondents who found £10.00 '*Unacceptable*'² were then asked how acceptable they would find lower levels of contribution to be – this continued until the lowest contribution level tested in the survey (£6.00) was reached.
- It was agreed with CCW that the lowest level that needed to be tested in the survey was £6.00 – consequently, no data on levels of acceptability of the current contribution level (£5.00 a year) was captured by the survey.

¹ References to '*Acceptable*' in this report refer to the combined proportion answering '*Very acceptable*', '*Acceptable*' or '*Don't mind*'.

² References to '*Unacceptable*' in this report refer to the combined proportion answering '*Very unacceptable*', '*Unacceptable*' or '*Don't know*'.

Explaining how cross-subsidy supports customers of both SSW and CAM



- A key change compared with the survey carried out in 2019 was that in 2023 it was explained in the survey that SSW and CAM is one company and all figures showing the number of customers that could be helped through Assure/Assure Assist at each cross-subsidy level were presented as a single figure covering customers for both supply region's combined. The description used for this was as follows;

We wanted to let you know that [TEXT SUB South Staffs Water / Cambridge Water] was merged with another water company called [TEXT SUB OF OTHER COMPANY South Staffs Water / Cambridge Water] in 2014. Since this happened, the money from all customers' bills across both supply regions goes into funding services and any support across both regions.

For Assure, the contribution from Cambridge Water customers can go to supporting customers across both regions. This is because there are higher levels of deprivation in the South Staffs Water region than there are in the Cambridge Water region, so support is provided to customers across both regions where it is needed most.

The proportion of households that are deprived in the South Staffs Water region is 16%, whereas this figure for the Cambridge Water region is 7%.

- All respondents were then asked if they were aware that Cambridge Water and South Staffs Water regions are one company;
 - Amongst the total SSC sample **17% of all respondents were aware that SSW and CAM are one company**
 - However, awareness differed significantly by company – it was significantly higher amongst CAM respondents (53%) than SSW respondents (7%).

Explaining the distribution of support between SSW and CAM



- A more detailed explanation of how cross-subsidy supports customers in both the SSW and CAM regions was included in the survey before questions about the acceptability of different levels of cross-subsidy were asked, as follows;
 - 100% of contributions made by South Staffs Water customers go towards supporting customers in that region through the Assure tariff (including Assure Assist) and this supports 37,800 customers
 - 36% of contributions made by Cambridge Water customers go towards supporting customers in that region through the Assure tariff (including Assure Assist) and this supports 3,400 customers. The remaining 64% supports 6,000 customers in the South Staffs water region.

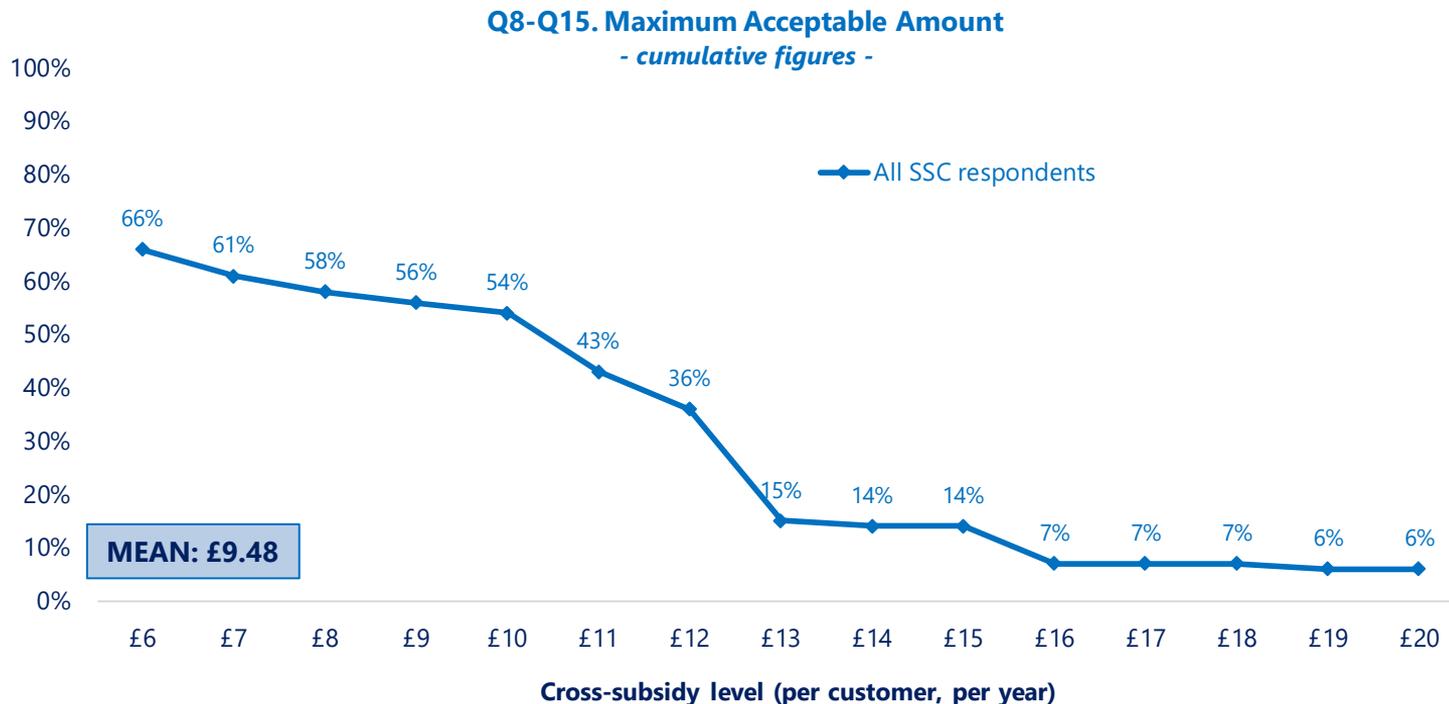
Important note;

- If more Cambridge Water customers become eligible and/or apply for Assure then the contribution from Cambridge Water customers goes to supporting them.
- If there was a large jump in the number of Cambridge Water customers who need the Assure tariff and the number of South Staffs Water customers dropped, then the contribution from South Staffs Water customers would shift more towards supporting those Cambridge customers in need.

Maximum Acceptable Amount – Total sample



- The chart below shows the Maximum Acceptable Amount amongst all survey respondents;



NOTE: respondents were not asked how acceptable they consider the current cross-subsidy level (£5) to be.

Base: All respondents (1,360)

NB: When calculating the MEAN respondents who did not accept £6.00 were assigned a value of £5.00 in-line with the current cross-subsidy level

Maximum Acceptable Amount – analysis by sub-groups



- The following slides summarise statistically significant differences between levels of acceptability amongst key sub-groups for **contribution levels of £8.00, £9.00 and £10.00**.
- They highlight that consistently, for all three of these levels of contribution, **some sub-groups exhibit higher levels of acceptability** than others, as follows;
 - **Metered** customers have higher levels of acceptability than unmetered customers.
 - Acceptability is higher amongst those in a **stronger financial position**, including those who consider that financially they are *"Living comfortably"* or *"Doing alright"* and those who *Disagree* with the statement *"I now have less money to give to charitable causes than I did 2 years ago"*.
 - Respondents with **better understanding of the way SSC operates** were more likely to accept these levels of contribution, including those aware that SSW/CAM only supplies clean water, those aware it is one company and respondents who said they knew before the survey that bills were likely to be higher between 2025-30.
 - Also, respondents with **better awareness of social tariffs** exhibited higher awareness, including those who were aware of the existence of social tariffs in the water industry, respondents aware of Assure specifically and those currently on Assure.
 - It's worth highlighting that all of the above groups are more likely to exist amongst CAM respondents.
- Additionally, although not evident for all three of these contribution levels, younger respondents (aged 18-34) were more likely to accept £8.00 and £9.00 than those aged 35-64 or 65 and over.

Maximum Acceptable Amount – sub-groups differences (for £8.00)



- The table below summarises significant differences in levels for acceptability for a cross-subsidy level of £8.00 amongst key sub-groups;

Level of acceptability of a £8.00 cross-subsidy (cumulative)			
Summary of significant differences amongst sub-groups			
Differences common to £8.00, £9.00 and £10.00			
Metered	60%	vs.	Unmetered 55%
Aware SSW/CAM only supplies clean water	60%	vs.	Unaware 52%
Currently on Assure	72%	vs.	Not currently on Assure 56%
Disagree that 'I now have less money to give to charitable causes than I did 2 years ago'	70%	vs.	Agree 56%
Aware before survey that bills are likely to be higher between 2025-30	65%	vs.	Unaware 53%
Aware SSW/CAM is one company before the survey	67%	vs.	Unaware 56%
Aware of water company social tariff schemes before the survey	68%	vs.	Unaware 53%
Aware of Assure before the survey	64%	vs.	Unaware 57%
"Living comfortably" / "Doing alright"	64%	vs.	"Just getting by" / "Finding it quite difficult" / "Finding it very difficult" 53%
Differences specific to £8.00			
Aged 18-34	69%	vs.	Aged 35-64 57%
Aged 18-34	69%	vs.	Aged 65+ 55%
Social grades AB	64%	vs.	Social grade DE 55%

Maximum Acceptable Amount – sub-groups differences (for £9.00)



- The table below summarises significant differences in levels for acceptability for a cross-subsidy level of £9.00 amongst key sub-groups;

Level of acceptability of a £9.00 cross-subsidy (cumulative)			
Summary of significant differences amongst sub-groups			
Differences common to £8.00, £9.00 and £10.00			
Metered	59%	vs.	Unmetered 53%
Aware SSW/CAM only supplies clean water	59%	vs.	Unaware 50%
Currently on Assure	72%	vs.	Not currently on Assure 54%
Disagree that 'I now have less money to give to charitable causes than I did 2 years ago'	67%	vs.	Agree 54%
Aware before survey that bills are likely to be higher between 2025-30	63%	vs.	Unaware 52%
Aware SSW/CAM is one company before the survey	63%	vs.	Unaware 54%
Aware of water company social tariff schemes before the survey	67%	vs.	Unaware 52%
Aware of Assure before the survey	66%	vs.	Unaware 55%
"Living comfortably" / "Doing alright"	63%	vs.	"Just getting by" / "Finding it quite difficult" / "Finding it very difficult" 52%
Differences specific to £9.00			
Aged 18-34	66%	vs.	Aged 35-64 56%
Aged 18-34	66%	vs.	Aged 65+ 54%

Maximum Acceptable Amount – sub-groups differences (for £10.00)



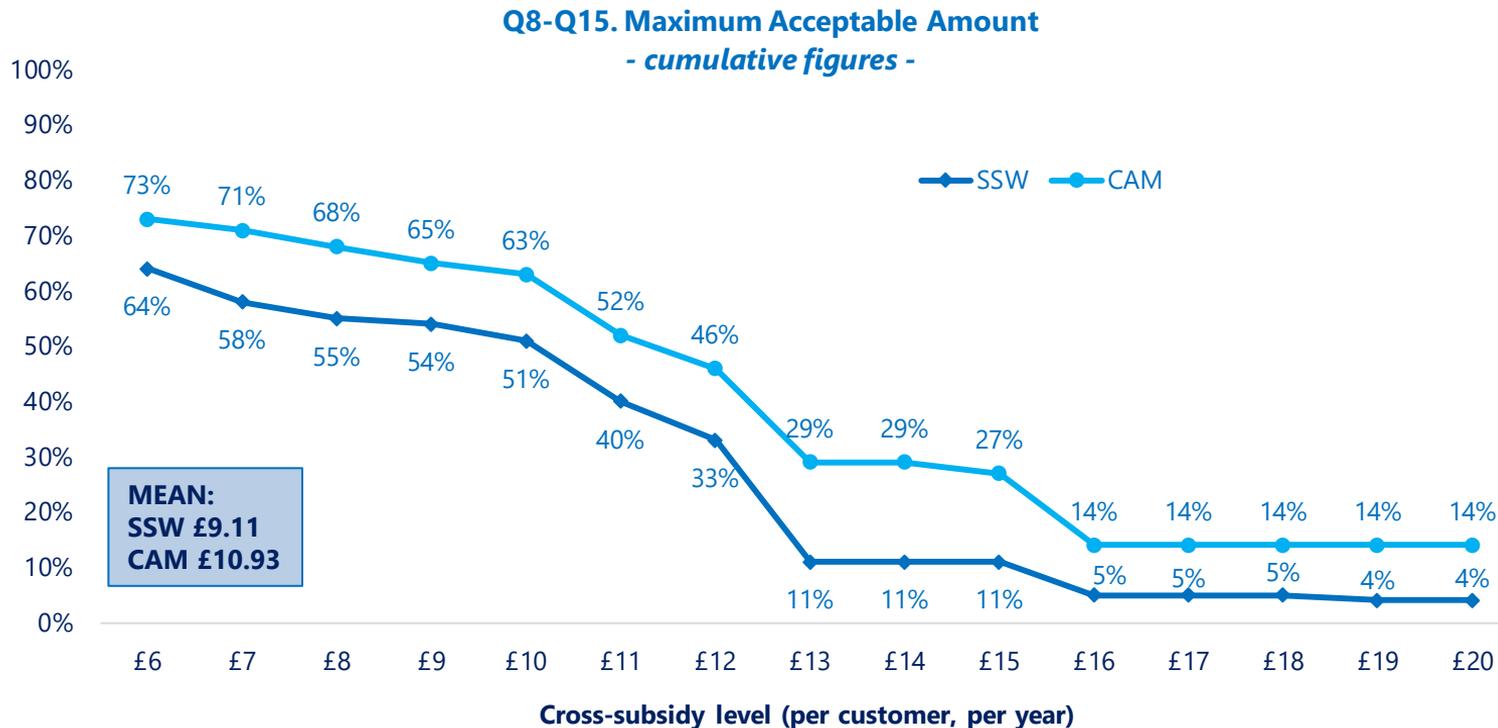
- The table below summarises significant differences in levels for acceptability for a cross-subsidy level of £10.00 amongst key sub-groups;

Level of acceptability of a £10.00 cross-subsidy (cumulative)			
Summary of significant differences amongst sub-groups			
Differences common to £8.00, £9.00 and £10.00			
Metered	57%	vs.	Unmetered 50%
Aware SSW/CAM only supplies clean water	57%	vs.	Unaware 48%
Currently on Assure	69%	vs.	Not currently on Assure 52%
Disagree that 'I now have less money to give to charitable causes than I did 2 years ago'	67%	vs.	Agree 52%
Aware before survey that bills are likely to be higher between 2025-30	61%	vs.	Unaware 50%
Aware SSW/CAM is one company before the survey	61%	vs.	Unaware 52%
Aware of water company social tariff schemes before the survey	65%	vs.	Unaware 49%
Aware of Assure before the survey	64%	vs.	Unaware 52%
"Living comfortably" / "Doing alright"	62%	vs.	"Just getting by" / "Finding it quite difficult" / "Finding it very difficult" 49%
Differences specific to £10.00			
Social grades AB	60%	vs.	Social grade DE 50%

Maximum Acceptable Amount – by SSW/CAM



- The chart below shows the Maximum Acceptable Amount amongst SSW and CAM respondents;



NOTE: respondents were not asked how acceptable they consider the current cross-subsidy level (£5) to be.

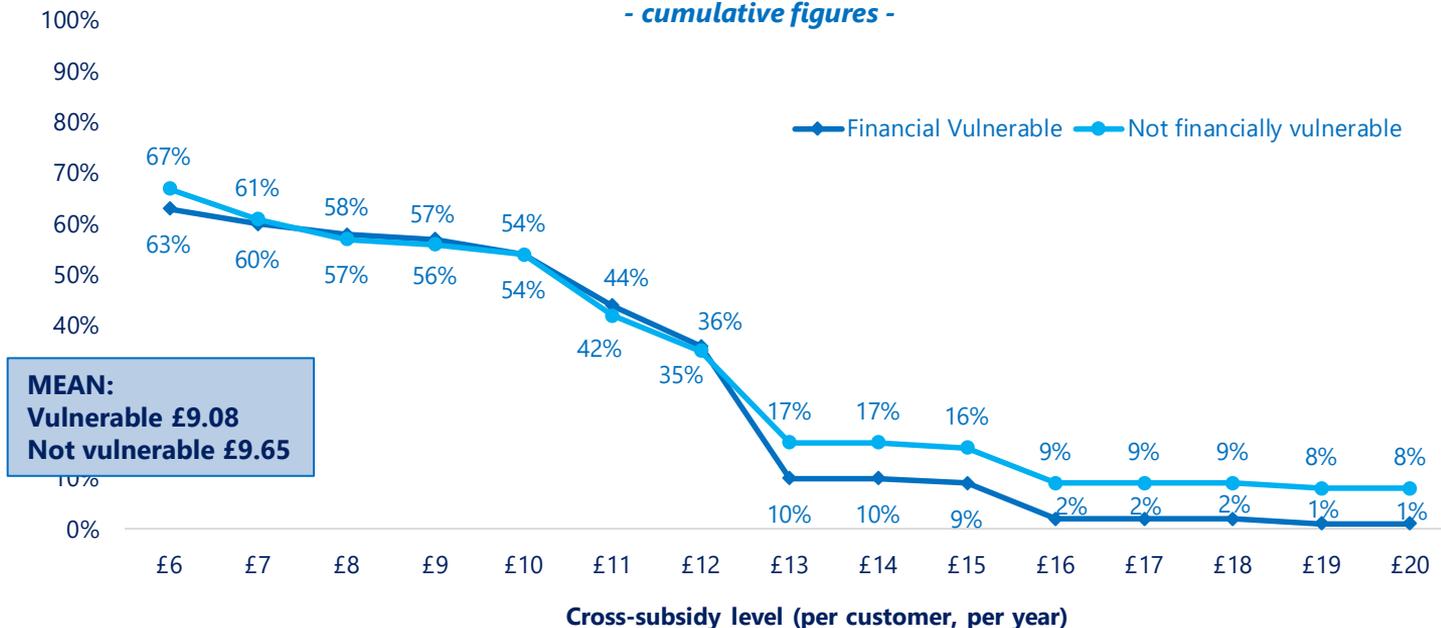
Base: All respondents - SSW (897) / All CAM (463)

Maximum Acceptable Amount – by Financial Vulnerability



- The chart below shows the Maximum Acceptable Amount amongst SSW and CAM respondents.
- Note, that similar analysis in 2019 highlighted that vulnerable respondents had significantly higher levels of acceptability for lower levels of cross-subsidy, however amongst 2023 respondents no such differences exist.

Q8-Q15. Maximum Acceptable Amount
- cumulative figures -



NOTE: respondents were not asked how acceptable they consider the current cross-subsidy level (£5) to be.

Base: All respondents - Financially vulnerable (388) / Not financially vulnerable (972)

Reasons for not finding an increase to £6.00 acceptable



- On completion of the Gabor-Granger exercise, all respondents were prompted with the highest level of contribution they had found acceptable and asked why they had chosen that level. This was a fully open question and responses have been coded for analysis.
- The table below shows responses amongst those who did not accept £6.00 (the lowest level tested in the survey). It highlights that the reasons for this are a mix of concerns about the principle of having to subsidise other customers, a belief that it's the water company's responsibility and the respondent facing difficult financial circumstances themselves.

Q15a. Reasons for not accepting an increase in contribution to £6.00 (UNPROMPTED)		
	<i>n</i>	<i>%</i>
<i>Showing all responses of 4% or more</i>		
Should not have to subsidise for other customers or should be given the choice	172	37%
Water company should be responsible for aid and fixing infrastructure by redistributing profits and dividends	92	20%
Currently struggling with water bills and others so find it hard already	91	19%
All I can afford or on limited income	35	7%
Concerns over water usage and mis-usage of benefits by those who receive discount	34	7%
Government should be supporting those who require assistance with benefits etc	33	7%
All bills are rising due to cost of living crisis	28	6%
Want the lowest increase or want to keep prices lower	28	6%
Pensioner or retiree on fixed income	20	4%
Not aware of Assure scheme and need more information about contributions and recipients	20	4%
Base: All respondents who found £6 unacceptable (445)		

Reasons for not accepting an increase to £6.00: verbatim comments



- The following verbatim comments were made to explain why survey respondents didn't accept an increase to £6.00;

"Because I don't wish to pay into a scheme that we won't be getting any benefit from. We pay enough out of our monthly wages."

SSW, Unmetered, age not known, DE

"Everyone is struggling and those who work hard for their money always have to fund others on benefits. This is not our problem to sort out."

SSW, Unmetered, 35-44, C1

"Because we're not wealthy people ourselves, and perhaps the shareholders of this privately owned company could cough up a bit from their dividends."

CAM, Metered, 65-74, AB

"I don't think the customers should pay the increase, the water companies should meet the cost by reducing their profits/share dividends."

SSW, Metered, 65-74, AB

"Most people who are struggling with finances deserve help. But there are people who simply don't want to work and never will work. Paying bills should be their priority rather than smoking, drinking, baking, TV subscriptions etc."

SSW, Metered, 50-64, C1

"Cambridgeshire is a wealthy region, the majority of people are working and should be motivated to work rather than be handed free money. We cannot afford to pay ours and others' bills"

CAM, Metered, 35-44, AB

Customers generally supported the need for an increase in cross-subsidy



- **Household groups generally supported and understood higher cross-subsidy:**
 - Even though they were unaware that they already pay £5 to fund the Assure scheme, no-one openly said they did not want to pay anything or wanted to pay less.
 - Clearly understood that if the customer contribution stayed at £5 and no additional funding was available then with increasing costs and inflation fewer customers on Assure could be helped in the way they currently are.
 - Most understood and supported the notion of helping as many customers as possible.
- **Assure is unlikely to fix everything, but still helpful:**
 - Customers noted that if someone was struggling to pay their water bill (relatively low compared to other bills) then they must really be struggling to get by and are likely to need much more help than just a discounted water bill. But, it at least offers some help.
- **Are the current bill increases focusing on the right issues?**
 - When shown increases in typical bills for 2025-30 some questioned if some of the money being allocated towards 'customer service' (generally felt to be good enough) or 'reducing leakages' (should be factored into ongoing maintenance) or 'reducing carbon emissions' (should already have been planned for) could be reallocated to Assure.
 - The more pressing need is felt to be supporting customers in water poverty, leading to questions around whether some of the other investments could wait a little longer.
 - However, these views don't take into account that the planned bill increases are necessary to maintain minimum standards and cannot be reduced or reallocated to Assure. Nevertheless, it shows customer priorities on this issue.

Increasing contribution levels to £7 or more centred on a desire to help & personal affordability



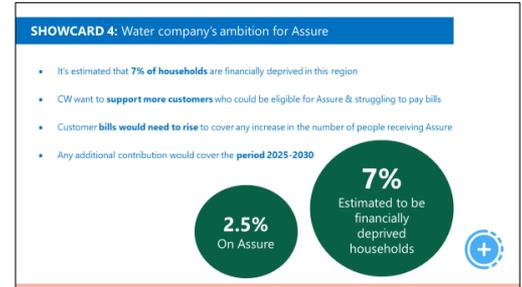
- In the household customer groups, people were shown how many customers in their region are currently receiving help via the Assure scheme compared to the number of households estimated to be financially deprived and told an additional £2 contribution to the £5 they already contribute would be needed to keep the same number of customers on Assure.

Why choose £7 per year?

- Almost all customers supported an increase to £7 per year.
- Ultimately, they did not want to see a reduction to the volume of customers already receiving support, which is what would happen if it remained at £5.
- An extra £2 was seen as a very small additional amount for them to have to pay to keep things as they currently are

Why choose higher than £7 per year?

- Most chose higher than £7 per year:** but the amount chosen above this varied.
- Reasons were personal and circumstantial:** The amount depended on how far individual participants felt they could stretch themselves, or how much more they feel it would be reasonable to expect other general customers to contribute.
- There is a limit:** When discussing whether they would contribute £14 to help all who need Assure, it is not that customers don't want to help as many of those struggling as possible, but more about how much they feel they can stretch themselves, given numerous other financial commitments and challenges they themselves have.



SHOWCARD 6: Additional annual amounts & how many helped from 2025

Reminder: the current annual £5 contribution would only raise enough money for around 2,300 Cambridge customers from 2025

Additional contribution above £5 per household	Total annual contribution per household	Monthly Contribution per household	Number of Cambridge customers helped
£0	£5	42p	2,300
£1	£6	50p	2,800
£2	£7	58p	3,200
£3	£8	66p	3,700
£4	£9	75	4,100
£5	£10	83p	4,600
£6	£11	91p	5,000
£7	£12	£1	5,500
£8	£13	£1.08	6,000
£9	£14	£1.16	6,400
£10	£15	£1.25	6,900

Keep the same amount of customers on Assure

Support all customers who would be eligible

Reasons for choosing £7 and maintaining current volume of support: quotes



"I would be happy with the £7 to know that no one that had the options and the help before was then losing that, I'd hate for that to happen to them and them then be stuck"

HH, pre fam/young fam C2DE, CW

"I think it's quite reasonable to be fair. Everything's gone up. And like I said before, one day we might be in that situation and you're helping communities"

HH older fam/post fam, ABC1, CW

"It's all the other increases on top of that"

**HH, pre fam/young fam
ABC1, SSW**

"I don't like the idea of having less people helped but personally every pound matters at the moment for me"

HH, pre fam/young fam C2DE, CW

"It's ok if you're working, what if you're not and then still paying it?"

**HH, older fam/post fam,
C2DE, SSW**

"I'm supportive if others like Government and the water company contribute."

**HH, pre fam/young fam
ABC1, SSW**

"Personally for me, I think in the next year or whatever I've got to be careful on my bills. That's basically it. If I could afford more I would but I don't think I'll be able to"

HH older fam/post fam, ABC1, CW

"It's still way under £1 a month
HH, older fam/post fam, C2DE, SSW

Reasons for choosing a higher ££ contribution to help even more: quotes



"I don't think anyone wants to see anyone else more worse off than previously. I chose like an arbitrary £12 not because I really want to add £12 extra a year to my bill but I was thinking it is just £1 extra a month. The spirit of it is that I think more people should be helped but I think it would be on the basis that I'd want to see what Cambridge Water were doing to match that sort of contribution and it being used fairly and evenly"

HH, pre fam/young fam C2DE, CW

"I just think it's one less gin and tonic"

HH older fam/post fam, ABC1, CW

"As more people will need help and I can afford it, but I want it as optional"

**HH, pre fam/young fam ABC1,
SSW**

"It's nice to try and help the less fortunate than yourself. But you've got to be sensible and think about your own your own situation, haven't you"

HH older fam/post fam, ABC1, CW

"It will help so many more people"

HH, older fam/post fam, C2DE, SSW

"I did £10, as long as it goes to the right people"

**HH, older fam/post fam,
C2DE, SSW**

"So I help a few different charities and the Food Bank and things like that, that I try and help. So if I did more on this, I may not be able to help with the food bank which I think helps a lot of more people across the board"

HH older fam/post fam, ABC1, CW

Summary of *Maximum Acceptable Amount*



- Using 60% as the threshold for acceptability, amongst 'All SSC respondents', 61% would find an annual contribution level of **£7.00 acceptable** - this would represent an uplift of £2.00 a year on the current contribution level.
- Above this, 58% would find an annual contribution level of **£8.00 acceptable** – this would represent an uplift of £3.00 a year.
- Levels of acceptability differ between the customers of the two companies;
 - 64% of **SSW customers** found **£6.00** acceptable – 58% found £7.00 acceptable
 - 63% of **CAM customers** found **£10.00** acceptable – 71% found £7.00 acceptable
- It was also the case in 2019 that acceptability levels were higher amongst CAM respondents than SSW ones, but it's notable that the difference is generally greater in 2023, suggesting increasing divergence in willingness and/or ability to pay between the two regions.
- The qualitative research identified that customers are motivated to maintain support for the same number of struggling customers through Assure as now and therefore support an increase to £7.00 to enable this to happen.
- Many face challenging household budgets and would pay a higher level of cross-subsidy than £7.00 if they could do so.
- Amongst 'All SSC respondents', significant variation in the amounts that would be acceptable is evident – **34% would not accept an increase to £6.00**, while **6% would find £20.00 acceptable** (the maximum amount tested in the survey).
- Statistically significant differences amongst key sub-groups highlight that acceptability levels for an annual contribution of £8.00, £9.00 or £10.00 are consistently higher amongst respondents who are better informed about SSC;
 - Specifically, acceptability is consistently higher amongst respondents who are aware SSC only supplies clean water; those aware that SSW and CAM are one company; respondents aware of social tariffs; those aware of Assure before the survey and respondents who were aware that bills are likely to be higher between 2025-30

Matched funding

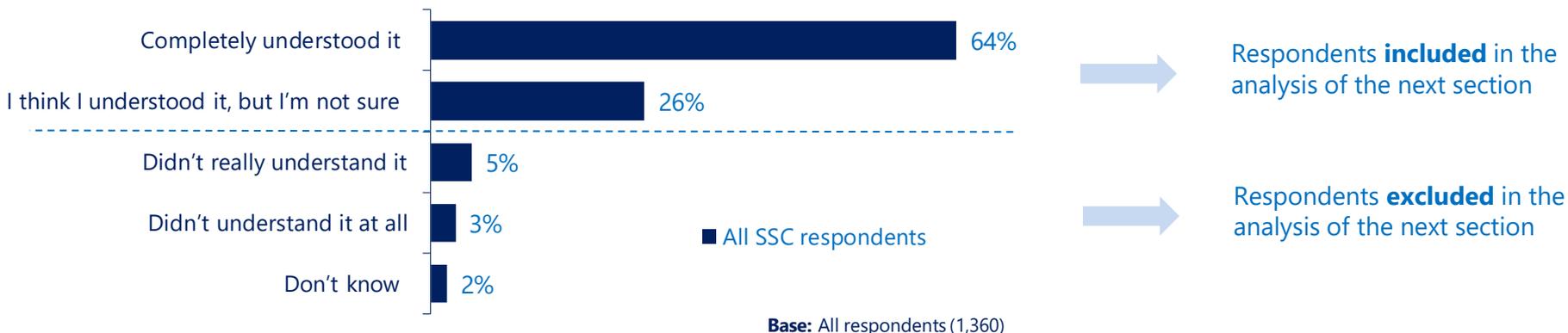
Views & impact on to cross-subsidy

Generally, 90% understood matched funding as it was explained in the survey



- Detailed questions were included in the survey to explore views towards matched funding and to determine the impact, if any, of this on contributions from customers. Given the complexity of this concept and the challenge of successfully conveying how it would work to respondents in a survey (where, for most, an interviewer was not present to provide clarification) a question was included to measure how well respondents felt they understood it.
- Response is shown below and highlights that the majority (90%) felt they '*Completely understood it*' or thought they '*...understood it, but I'm not sure*' – it was decided to exclude respondents who did not give either or these responses from analysis of findings for this section to ensure results are only based on those with a good enough understanding of the concept to give a considered response.

Q27b. Which of the following best describes how well you'd say you understood the idea we've just asked about, where your water company would match any additional amount you contribute?



Some differences between those who did/didn't understand were evident



- The table below summarises significant differences between respondents who understood from the survey description how matched funding would work and those who did not (and have therefore been removed from the following analysis).
- Those who struggled the most to follow the concept were less likely to be CAM customers and to be metered, but more likely to be social grades DE and to be from a BAME background. Additionally, they tended to be facing tougher financial circumstances with the majority currently *"Just getting by"* / *"Finding it quite difficult"* / *"Finding it very difficult"*. Perhaps because of this they were more likely to not accept the lowest contribution amount tested in the survey (£6.00).

Q27b. Which of the following best describes how well you'd say you understood the idea we've just asked about, where your water company would match any additional amount you contribute?

	NET: Completely understood it / I think I understood it, but I'm not sure (INCLUDED)	NET: Didn't really understand it / Didn't understand it at all / Don't know (REMOVED)
CAM respondents	21%	10%
Metered	50%	37%
<i>"I always pay my water bill, and other household bills, on time"</i>	88%	77%
Do not accept a contribution of £6.00	33%	43%
<i>"Just getting by" / "Finding it quite difficult" / "Finding it very difficult"</i>	50%	69%
Social grades DE	8%	27%
NET: BAME	8%	18%
English as first language- yes	91%	82%

Base: All who understood matched funding (1,236) / All who didn't understand it (124)

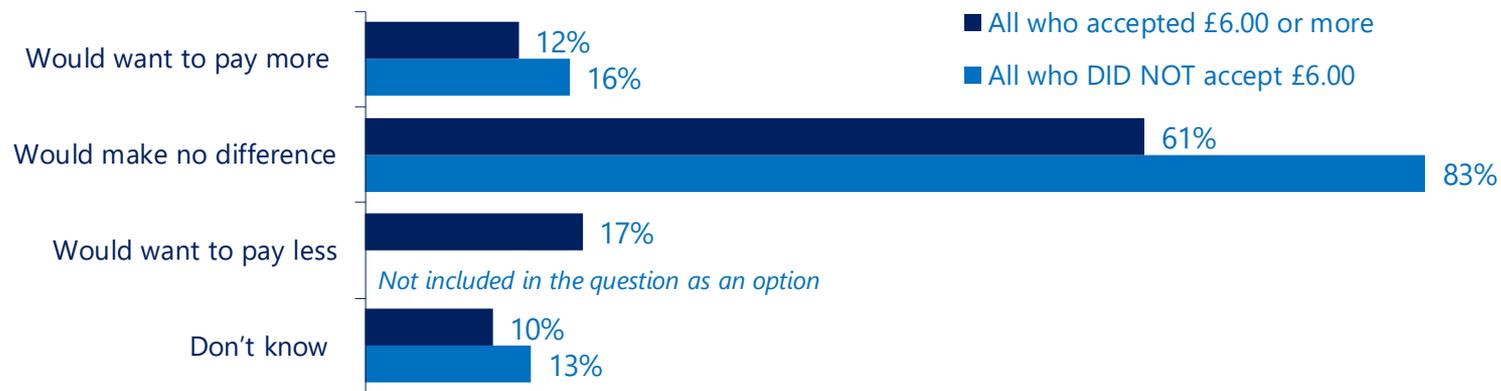
NB: A blue cell in the table above indicates a significant differences between these two sub-groups.

For most, matched funding wouldn't change their contribution level



- Questions were included to measure the impact of matched funding on the level of contribution respondents would be happy to make. Two versions of the same question were used and both are shown on the chart below.
- Amongst respondents who did not accept an increase in contribution to £6.00, matched funding would make 'no difference' for the majority (83%), although 16% said they would be happy to 'pay more'.
- Amongst respondents who would accept an increase in contribution to £6.00 or more matched funding was polarising – 12% said they would 'pay more' but 17% said they would want to 'pay less' – but for most it 'would make no difference' (61%).

Q21/Q25. Impact of [SSW/CAM] matching any additional contribution above the £5 contribution that customers make now on the level of contribution respondents would be happy to make.

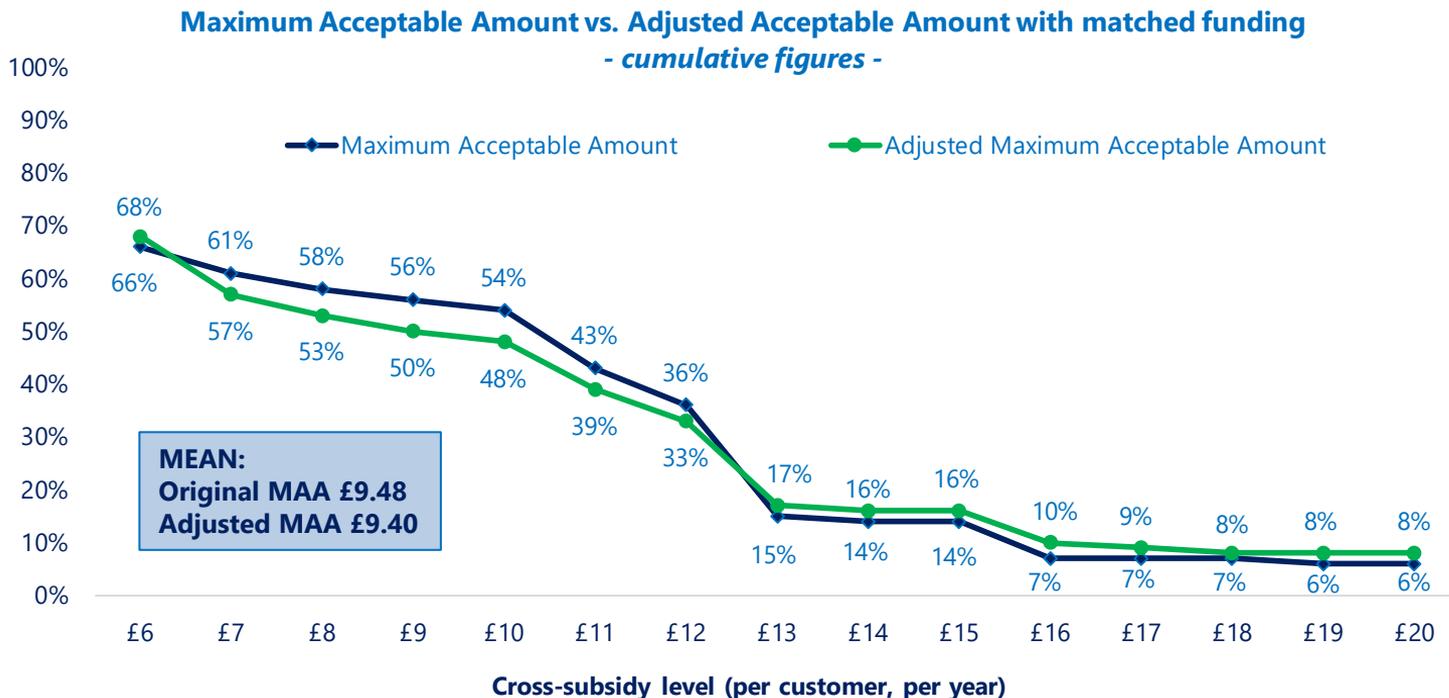


Base: All who understood matched funding - accepted £6.00 or more (846), did not accept £6.00 (390)

Impact of matched funding on the *Maximum Acceptable Amount*



- The chart below shows the *Maximum Acceptable Amount* and compares this to the *Adjusted Maximum Acceptable Amount* if matched funding was introduced – therefore, it shows the impact on acceptability levels of matched funding.



NOTE: respondents were not asked how acceptable they consider the current cross-subsidy level (£5) to be.

Base: All respondents (1,360) / All who 'completely understood' or 'think I understood' matched funding (1,236)

Customers felt shareholder matching was essential and unfair to not do



- **Shareholder matching was already on customers' minds in the focus groups**
 - When introducing the Assure scheme and told customers contribute £5 already, a number of customers spontaneously questioned 'what is the contribution from the company, their 'well-paid' executives and shareholders?'
- **A contribution from shareholders towards any subsidy is expected and seems fair**
 - If general customers are being asked to contribute to help those who are financially struggling, then there is an expectation that shareholders and the company would also share the burden
 - Knowing that it is just paid for by general customers with nothing coming from shareholders does not seem fair and caused anger amongst participants.
- **Felt it's unfair for SSC to take 'credit' for helping customers with Assure unless they also contribute a substantial amount**
 - If all or the majority of the Assure pot comes from other customers then there is little tolerance of SSC taking any credit for helping customers who are struggling
 - This would change if the company made a bigger financial contribution than the one general customers have to pay
 - The company would be able to 'shout' about looking after customers who are financially struggling if shareholders were making a generous contribution to the 'pot', but not if it was solely through a compulsory levy on customers.

SSC contribution must be more substantial if it is to take credit for Assure impact



- **The promise of shareholder matching wouldn't make most customers increase their cross-subsidy contribution level**
 - Customers were not willing to contribute any more cross-subsidy after hearing about matched funding, so it is unlikely to incentivise a higher customer contribution.
 - Instead, they felt shareholders should be contributing anyway, and matching was an essential part of the partnership that formed the Assure pot.
- **Some customers thought shareholders should 'over-match' contributions**
 - Customers felt shareholders should exceed the general customer contribution – figures of £2 or £1.50 for every £1 from customers were cited.
 - Seen as more appropriate and something that the company could then promote that shareholders are playing an active role.
- **Questions raised about why matching proposition is only above the £5 level**
 - Customers queried why shareholders are not currently contributing and why the proposal isn't to match customer contributions within the existing £5 level as well.
 - This is because in their eyes, shareholders are already financially comfortable and still gaining financially each year from their shareholding, whereas customers themselves are facing greater financial challenges and shouldn't have to shoulder the cost.



Matched funding: quotes



"I always feel in the back of my mind, are they [SSC] matching that contribution or could they be doing more instead of taking it out of my pocket"

HH, pre fam/young fam C2DE, CAM

"I think big businesses have a duty of care, they are making money. So they have a duty of care to people who can't afford it"

HH older fam/post fam, ABC1, CAM

"It seems fair because if they're asking us to pay a bit more then it's fair that they match that"

HH older fam/post fam, ABC1, CAM

"Why should we have to do it if Cambridge Water aren't going to also help? Why should it be down to us to help, why can't they help as well"

HH, pre fam/young fam C2DE, CAM

"If we pay £6 they should pay £6"

HH, pre fam/young fam ABC1, SSW

"It feels a bit nicer"

HH, pre fam/young fam ABC1, SSW

"Yes it takes the pressure of us"

**HH, older fam/post fam,
C2DE, SSW**

"Absolutely they [SSC] should be doing more to help people in difficult situations, and people that struggle, but I also don't think it should be without a cost to them internally. Which means are people getting bonuses? Are people getting increases on their salaries when the average working person isn't? I think they should help people in poorer circumstances, I don't think we would resent paying an extra few pounds a year for that but why don't they [SSC] dip their hand in their pocket and add a bit themselves"

HH, pre fam/young fam C2DE, CAM

"I don't think we should be willing to pay more just for them to match [anything over £5], I think they should sort of be doing more than ourselves"

HH, pre fam/young fam C2DE, CAM

Summary of *Adjusted Maximum Acceptable Amount* with matched funding



- The concept of matched funding as it was explained in the survey was understood by 90% of respondents – those who didn't understand it sufficiently well have been excluded from the following analysis.
- Most respondents (69%) would not change their *Maximum Acceptable Amount* if matched funding were introduced.
- In total, 20% would want to make a change to their initial *Maximum Acceptable Amount* with matched funding (11% would want to 'pay less' while 9% would want to 'pay more') – this proportion is similar to that recorded in 2019 (21%).
- The **NET impact of introducing matched funding** would be to change levels of acceptability for the different levels of contribution tested in the survey;
 - Amongst those who **do not accept a contribution level of £6.00**, 4% would accept £6.00 or more with matched funding
 - For a contribution level of **£6.00**, there would be **higher acceptability** with matched funding
 - acceptability would increase from 66% to 68%
 - For contribution levels **between £7.00 and £12.00**, there would be **lower acceptability** with matched funding
 - for example, acceptability of £7.00 would decline from 61% to 57%
 - For contribution levels **between £13.00 and £20.00**, there would be **higher acceptability**
 - for example, acceptability of £13.00 would increase from 15% to 17%
- The main reasons outlined in the survey for wanting to 'pay more' amongst those whose *Maximum Acceptable Amount* was £6.00 or more was simply recognition that this would 'provide more help for more people' (36%).
- The main reason outlined for wanting to 'pay less' was that the respondent was 'currently struggling with bills and income' (28%).

Improving Assure

Structure, Assure journeys and promotion

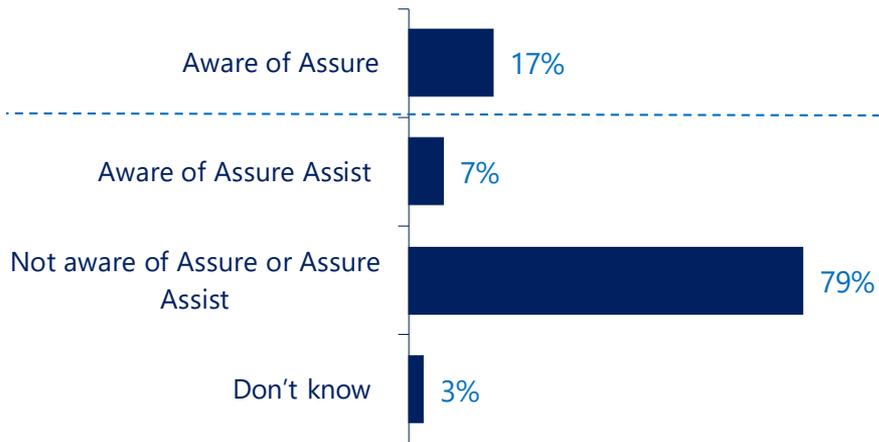
18% not currently on Assure believe they're likely to be eligible



- The chart to the left below highlights that most survey respondents were not aware of Assure or Assure Assist before the survey - it's worth highlighting that only 70% of respondents who are currently on Assure said they were aware of it before the survey (most of these were confirmed as being on Assure from SSC's customer database) – this suggests limited recognition amongst some recipients.
- The chart to the right highlights that 12% of respondents who are not currently receiving Assure believe they are 'likely to be eligible now' while a further 6% felt they may be eligible '...in the near future...' – this equates to 18% being eligible now or in the near future.

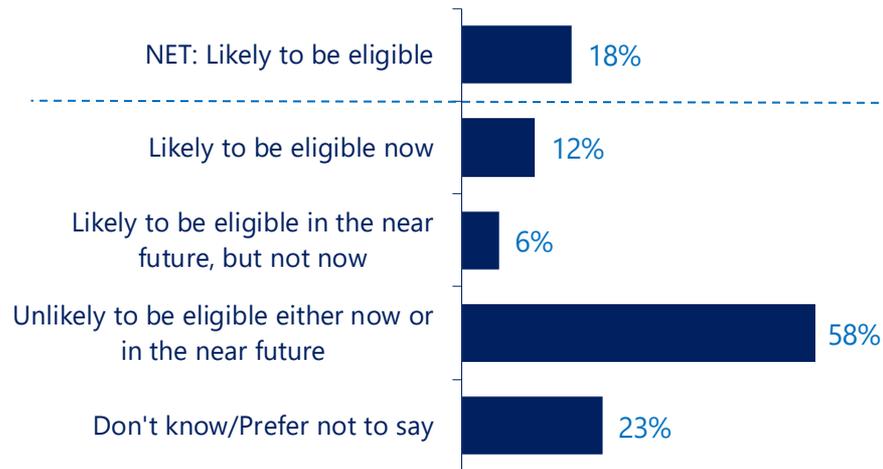
Q18. Were you aware of the Assure scheme or Assure Assist before today?

■ All SSC respondents



Base: All respondents (1,360)

Q20. Thinking specifically about Assure and NOT Assure Assist, do you think you may be eligible for the Assure tariff now or in the near future?



Base: All not currently receiving Assure (1,058)

Assure is gratefully received and more than others offer, but not life-changing



- **For recipients, Assure is an outlier compared to other suppliers and is gratefully received:**
 - Most don't know of any other suppliers that offer it, although some stakeholders compared the generosity to Severn Trent's 90% discount on the Big Difference Scheme which made Assure seem less impactful or impressive
 - Some had other support in the form of payment plans, one-off food or fuel vouchers, or a temporarily reduced bill, but nothing like a straight discount scheme
- **Impact of Assure:**
 - Lifting mental burden is the main impact, the relief that someone is finally helping them
 - Assure does relieve some financial burden – but there are limits to it and isn't life-changing, meaning the water bill is not totally out of the worry bag
 - Any water bill savings are quickly absorbed by other essential expenses – food or energy
 - But any help is helpful, certainly better than nothing when desperate – 'I'll take anything'
- **Discount level:**
 - 60% is definitely impactful, and those not on Assure (but eligible) were keen to apply
 - Some were concerned about it dropping to 40% in the second year and how to adjust
 - 60% discount makes it worth their while to apply - any less than 50% starts to tip the hassle / reward scales. This was echoed by stakeholders who saw clients focus their energies on schemes that would make a real difference.



Reaction to and impact of Assure: quotes



“When we needed it, yeah, that really would have helped, saved us getting handouts from parents that shouldn't have to be giving me handouts”

Co-dev, Essential Use eligible, CAM

“That reduction through the Big Difference Scheme [Severn Trent social tariff] is really, really helpful to our clients... [hearing about Assure] okay, so that's 60% in the first year, and then 40% in the second year, because Severn Trent is giving 90% off”

Stakeholder, SSC

“Oh yeah, any discount helps, any discount at all”

Co-dev, Assure, CAM

“I think it's brilliant. It helps people that just can't afford the water bill. You know, people on low income or haven't got much money coming in”

HH older fam/post fam, ABC1, CAM

“Oh gosh, it helped mentally so much, because at the time, I was quite ill, and I couldn't work anyway. Just made all the difference those two years”

Co-dev, Assure, CAM

“[Assure] discount is high and quite decent”

HH, older fam/post fam, C2DE, SSW

“I met him at the food hub and was having trouble with my bills, Simon helped me out with my water bill. So I'm paying it off slowly, it's only £10 a fortnight”

Co-dev, Assure, CAM

Survey respondents prefer Option B, to help more customers with the same pot



Option A

The Assure scheme stays as it is, providing a discount in the first year of 60% and then 40% in the second and subsequent years.

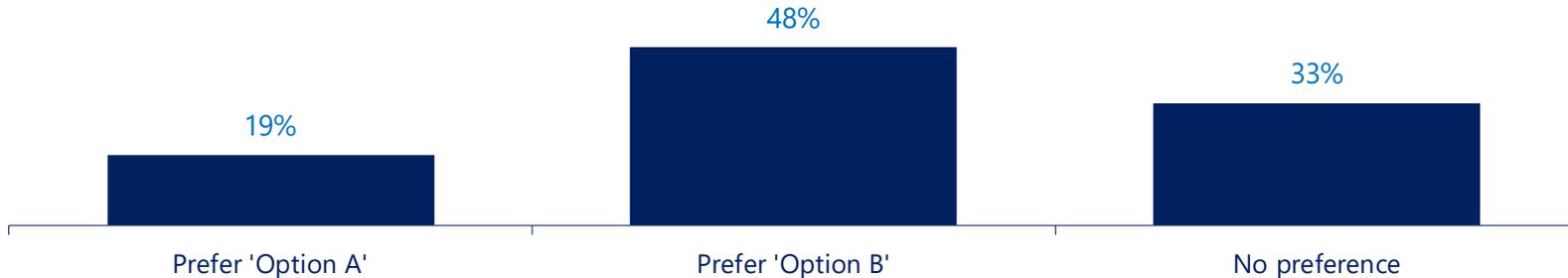
Therefore, a contribution of £5.00 a year from customers from 2025 would raise enough money for around 33,000 customers to receive help through the scheme.

Option B

The discount provided through the Assure scheme changes so that in the first year customers receive a 40% discount and then 30% in the second and subsequent years.

This means a contribution of £5.00 a year from customers from 2025 would raise enough money for around 47,200 customers to receive help through the scheme.

- A question was included in the survey to test preferences for two approaches to providing a discount through Assure and responses are shown here.
- There was a clear preference in the survey for Option B over Option A.
- When asked why they preferred Option B, most said they'd chose it because it allows Assure to 'help more customers' (65%).
- The main, tangible reason for preferring Option A was that it 'provides a higher discount for those who are struggling' (13%).



Base: All SSC respondents (1,360)

General customers also prefer Option B, reduce discount to help more customers



- General household customers in the qualitative focus groups also wanted SSC to help as many of those struggling as possible (even if they themselves are only prepared to increase their contribution to £7 to keep the scheme the same).
- If the pool of money remains the same, most customers in qualitative general household sessions felt it should be used to help more people but with a lower discount (option B in stimulus).
- It is important to note that their comments were based on broad principles rather than any first-hand experience or from knowing anyone who would qualify.
- Saving 40% rather than 60% in Year 1 was still seen as a reasonable discount and in monetary terms, given the value of the water bill, not that much different – also less of a drop in Year 2 so feel easier for recipients to manage and adjust.
- A number of those in the C2DE South Staffs session urged that if SSC did shift to Option B that customers currently receiving 60% did not receive a shock change over night. They suggested either being slowly transitioned to the new % level or only new claimants go on to Option B's 40% and that existing recipients stay on 60%.



“I think that even 40% in the first year is a great discount. What [other] places offer a 40% discount? That's almost half your bill gone for an entire year. And you have that entire year to know that the next year will be reduced down to 30%. I think to be able to help more people would be better”

HH, pre fam/young fam C2DE, CW

“It's really difficult because you know, some of those families really need that 60%. But I do like the idea of being able to help more people”

HH, older fam/post fam ABC1, CW

“It's ok to go with B if you're starting from scratch, but if you're having to go down from 60% [it could be difficult]”

HH, older fam/post fam, C2DE, SSW

Co-development 1 – Assure structure Option A is preferred, keep it as it is



- When it came to trading off Option A and Option B, the co-development and stakeholder interviews reflected a different picture to the household qual and quant – **they were concerned by Option B.**
- **Option B was preferred by a few co-development customers who didn't want people being turned away**
 - Customers know so many people are struggling and don't want them to be refused support – this is the main reasoning for supporting Option B.
 - Some preferred B if it was being created from scratch, but didn't like the idea of changing it for existing Assure recipients.
 - Assure customers would struggle to manage the change, would have to make trade offs and another bill or food would suffer. Those in the most difficult situations altruistically supported helping as many people as possible, but personally can't afford it.
 - Any preference for Option B was in the context of the cross-subsidy level being £7. It stands to reason that if the contribution level is increased, then Option B is less necessary as the number of customers on Assure can increase.
- **Option A was ultimately the consensus, keep Assure broadly as it is**
 - The 60% has a significant impact on life and finances. While it was not a lot to some people, for others the difference between 60% and 40% discount is significant in terms of making ends meet or having money for food or energy.
 - Most importantly from stakeholders, who see customers every day in these situations, they felt that option B dilutes and downgrades the impact of the scheme to a point where it is no longer appealing and worth the hassle, so customers may not bother to apply – they see this with other small discounts e.g. working tax credits.
 - After a discussion of the pros / cons, most tables in the co-development settled on Option A, as did all stakeholders.

For a description of the co-development activities see the supporting document (Appendix 5)

Overall preference for Option A: quotes



"I don't think that will be good because people would say it's hardly worth the bother. I'm not going to bother to apply. Certainly I know from Universal Credit starting to migrate to everybody. When they did their most recent pilot, they found that a lot of people who are only on tax credits, nothing else, no other legacy benefits. When they were told they needed to apply for Universal Credit a lot of them just didn't bother. They knew there was going to be a lot of faffing about"

Stakeholder, CAM

"[Monthly difference between 60% Option A and 40% Option B] £4 at the moment is a lot, because everything else has gone up. £4 at the moment is like gold dust, for me."

Co-dev, Assure eligible, CAM

"No provides [to Option B], people have already had too many cuts. I mean, I can see the point as that, you know, they will be able to help more people. But I don't think it would be good, it would be bad, as beneficial as it is, I mean, people are struggling, people are really, really struggling."

Stakeholder, SSC

"[Option B proposal] it's just going to be whittled away over and over and over again until you're not getting anything out of it"

Co-dev, Assure, CAM

"I think we open it up a bit more [and choose Option B] because most of these people they're probably on other benefits as well. So I think the more we're able to help the better"

Co-dev, Essential Use eligible, CAM

Co-development 1 – Assure structure, broadly happy but a few recommendations



- **Within the Option A structure, some customers suggested a slightly different discount split**
 - 50% / 50% preferred by some tables (SSW and CAM), to avoid the shock of discount dropping from 60% to 40%
 - Graduated discount based on income preferred by another table – allows bigger discount for those most in need and lower discount for those on higher incomes. After co-development discussions with SSC staff, most agreed that the admin burden may mean this isn't possible right now but could be in the future with greater automation.
- **Important to keep discount total above 50%**
 - The amount of discount that would be impactful is hard to pinpoint as they will take whatever they can get.
 - Anything above 50% is making a decent difference but naturally those struggling want as much discount as possible. This is amplified by the fact that they don't think they're going to get a discount anywhere else.
- **Eligibility threshold of £19,050 could be increased or remodelled**
 - £19,050 is not a living wage for most people, but appreciate that raising it could mean too many people apply.
 - Stakeholders found this hard to answer. Many felt those under £19K were most vulnerable and that if the Assure pot is finite, it should focus on the lowest incomes. Others thought it should be raised slightly to match inflation.
 - Many struggled with income, claiming it is too blunt an assessment tool, and expenditure and circumstance should be taken into account. Particularly acute for slightly higher incomes – because they don't qualify for other support, and some felt this penalised those who were in employment
- Other benefits don't need excluding from income calculation unless there's a strong case for it. The current list seems acceptable; some felt Universal Credit / all tax credits should be on the list, but weren't experts so it was hard to comment

Assure structure recommendations: quotes



"All we ever hear about are people on benefits...my niece and her husband work and are just over that amount so don't qualify"

HH, older fam/post fam, C2DE, SSW

"With the Assure tariff, we feel very pleased about the Assure tariff most of the time, and we have Simon, the income, the £19,050 plus £1,500 for each child is really helpful and the fact you disregard the disability benefits that's incredibly important. We have had issues with other water companies who actually count them disability benefits that they really I really shouldn't, the housing benefit is to pay your rent, it's to do with what you've actually got to live on. We think they have really taken some care with that."

Stakeholder, CAM

"[Threshold] depends on each person's circumstances because the lady over there might have completely different circumstances to the lady next to me. So having a sliding scale would be a fairer, based on the individual customer's needs, and you'd have to prove your earnings"

Co-dev, Assure, CAM

"What's it 19,000 or something, that's not very high to be honest. I'm a single parent, I'm just over that, so I wouldn't qualify for that. So I feel like it could be better"

Co-dev, Essential Use eligible, SSW

"Feels like the working class are gonna get penalised again"

HH, pre fam/young fam ABC1, SSW

"It could do with going up to at least £22,000 if possible, 'cause the way that inflation has happened it's gone beyond that threshold."

Stakeholder, SSC

Co-development 2 – Promoting Assure through community relationships



- **Community gatekeeper relationships were proven as effective**
 - People on Assure generally came to it through gatekeepers (StepChange, social housing) – this is very effective and appreciated by all, there was a clear view that it's important to have the option of having help applying
 - Stakeholders backed this up, showcasing the success of having community advocates for Assure
- Co-development participants were asked to prioritise a list of 18 promotional activities, from high to low priority. These priorities were entirely based on customers experiences so are variable depending on their personal situations.
- **Volume, vulnerability, connectivity** – these were the three factors that defined the priority level. Participants recognised it's about targeting where people are vulnerable and have a high number of beneficiaries, tapping into already well-developed support networks with a high volume of customers/clients.

Top priority activities

Why? Most vulnerable people, those likely to need most help with applying, lead complex lives with multiple issues

Who? Poverty organisations, disability groups and passport schemes, older age groups, benefits claimants

Medium priority activities

Why? Already well-developed support networks, trusted in communities, access clients who are less likely to be aware of Assure and other support

Who? Faith groups, social housing providers, work-related charities

Low priority activities

Why? Those groups perceived as not relevant or less likely to be engaged with Assure or actively promote it. Ultimately less likely to be effective.

Who? Emergency services, public health networks, MP surgeries, NHS

Community partnerships priorities: quotes



“They [faith groups, social housing] know a lot already about a lot of help, putting them [SSC] there for someone who has a lot of awareness already is taking away from someone who doesn't know a lot”

Co-dev, Essential Use eligible, CAM

“Because a lot of people there [money advice centres, food banks] have certain things going on that no matter with all they struggle with, they always need help with money”

Co-dev, Assure eligible, CAM

“I think more hubs would be a definite, definite good thing. So they get out into the community a lot. And I see that but I think just more visibility, more approachability because it obviously works in the model that they've got there... It's just getting in and getting it done. Yeah, and it's the staff that are there. They're lovely people.”

Stakeholder, SSC

“[Food banks and furniture poverty] that's where they're most needy, and that's what, then they'll find out about all these discounts.”

Co-dev, Assure eligible, SSW

“I don't think the hospital is any good. They're too busy trying to help people with illnesses, let alone like, let's give you information on something totally different.”

Co-dev, Essential Use eligible, SSW

Co-development 3: Assure journey 1 – joining Assure through application form



- Overcoming the hassle vs benefit barrier, the application process must be extremely simple and reduce workload on the applicant.
- Overall, the form itself was well received and suggests no real changes needed.**
- Length:** Even though it was four pages, there weren't too many questions to fill in and it was straightforward to complete.
- Support:** However, some people still needed support because of digital exclusion, confidence, reading skills, language skills, capability or simply worry about getting it wrong. It is ideal to have a gatekeeper organisation who can help with the application or an assisted application by South Staffs.
- Format:** The diverse range of customers and their different preferences means there must be a range of options for completing the form. Postal, in-person, phone (all available) but also an interactive online version that is mobile compatible.
- Income assessment:** Once again, participants considered whether the application should include expenditure, but appreciated the simplicity of current system and admitted the expenditure form might be off-putting.
- Proof of income:** A range of ways to submit is very important, focusing on what is easy – photos or screenshots via email, WhatsApp, online upload, plus freepost

Application for Assure



Please complete the form and send to FREEPOST ASSURE, Green Lane, Walsall WS2 7PD. If you need help to complete this form please contact us on 0800 093 0570 (calls to 0800 numbers are free).

Once we receive your completed application form, we'll let you know if it was successful within 10 working days. If your application is successful, the discount on your charges will be applied from the date we receive your application form. A bill with the amended charges will be sent to you.

What happens if I can't keep up payments?
If you're struggling to pay your water bill please contact us and we'll do everything we can to help support you. If you don't make regular payments on your Assure tariff, you will no longer qualify for a discount.

What is the Assure tariff?

This is a special tariff that can help some customers on low income pay their bill. If you're eligible and your application is successful, your charges will be discounted for 2 years, in the first year by 60% and the second year by 40%.

Assure is available for residential customers who meet our eligibility criteria.

Either		Or
Have a total household income of less than £19050 per year	For households with dependent children, an additional £1500 per child will be added to £19050 amount	Customers who receive Pension Credit (Guarantee Element)
We will not include income from the below benefits:		
Attendance allowance	Disability Living Allowance	Personal Independence Payment
Care Allowance	Housing Benefit or Housing Allowance (UC)	Council Tax Benefit (not 25% single occupancy)
		Disabled or severely disabled element of Child Tax Credit

About you (please complete the information below)

Customer reference number (can be found on your bill): _____

Title: _____ First name: _____

Last name: _____ Date of birth: _____

Address: _____

Postcode: _____

When did you move into your home? (Month/Year) _____

Best contact number: _____ Other contact number: _____

Email address (if available): _____

Number of people in the household, please include name and date of birth, continue on separate sheet if required.

Name	Date of birth	Employed/unemployed/on benefit/student

Where did you hear about the Assure tariff?

<input type="checkbox"/> Community hub	<input type="checkbox"/> Billboard	<input type="checkbox"/> Word of mouth	<input type="checkbox"/> Website
<input type="checkbox"/> Social media	<input type="checkbox"/> Newspaper	<input type="checkbox"/> Events	<input type="checkbox"/> Third party organisation
<input type="checkbox"/> Bus advert	<input type="checkbox"/> Car parking ticket	<input type="checkbox"/> Local authority	<input type="checkbox"/> Company literature (bills, leaflets etc)

Co-development 3: Assure journey 1 – joining Assure through digital calculator



- **Reactions to digital eligibility calculator generally positive**
 - **Welcome concept if it's simple:** Not too many questions, easy info to answer, clear interface, clear recommendations
 - **Positives:** Instant recommendations, complete any time of day, personalised to situation
 - **Challenges:** Risk of digital exclusion, higher incomes/working people assume they wouldn't be eligible
 - **Opportunities and ideas:** Could be completed by self or a carer/gatekeeper, could pre-fill parts of application forms or link straight to application form, could email personalised recommendation to you, could request a call back to discuss results
- **Purpose and future uses**
 - **Clear identity:** Must be clear if this is a 'financial savings' tool, or a 'general support from South Staffs' tool
 - **Directly promoted to customers:** via QR code, link or internet search on bill, email push, social media
 - **Promote to gatekeepers:** very important as it will support those who are digitally excluded, and ensure gatekeepers are aware of the full offer from South Staffs (not just Assure)
- **Learnings / next steps**
 - **Decide what will be included:** Ensure that every question and every scheme/option offered makes a tangible financial impact, putting too many options or 'irrelevant' suggestions in is unlikely to go down well.
 - **Work out capabilities of the tool and create a mock up:** Can it link to application and auto-fill? Can it let customers request a call-back? Can it email results to the customer?
 - **Test calculator and communications with customers:** Different income brackets, digital confidence etc



“They feel in their mind, they feel that they are not entitled whatsoever. Whereas if they [SSC] removed that [with a digital calculator], they might think that they are not entitled but when they go on to it they realise that ‘oh, I’m entitled to something’”

Co-dev, Essential Use eligible, CAM

“It’s nice that you can do it on your own timeline, so if you are stuck at four in the morning with some free time you can just go online on your phone and run through something quick, it’s perfect”

Co-dev, Essential Use eligible, SSW

“You will have to rely on, I mean, not everyone has internet access. And then finding somewhere that has or finding help to do it, like at groups, things like that”

Co-dev, Essential Use eligible, SSW

Co-development 3: Assure journey 2 – communication whilst on Assure



- The co-development workshops explored how often Assure customers would want communicating with, and what sort of comms these should be
- **Ultimately, Assure customers did not want a regular communication about being on Assure, or a reminder of how much they were saving:**
 - **Too much to think about:** These customers are already dealing with a lot. The benefit of Assure is it means they don't have to think about the water bill as much. On the whole, they don't want a communication as it is an extra thing to think about.
 - **It serves no purpose:** A general reminder isn't going to make them feel any more positively about Assure. They have already used the Assure saving on other things, it's been absorbed into the budget. One or two even felt it might stress them out – this is how much extra they would have to pay if they lost Assure.
- **Instead, Assure customers only wanted a reminder when things were going to change:**
 - **Purpose of comms:** Ensure the customer knows exactly when the discount will change so this can be managed, built into the budget.
 - **Preference-based comms:** When they sign up, ask if they prefer letter, text etc and offer this as a multi-method. Everyone is different and pays attention to different comms.
 - **Warning before things change:** A notifying communication 6-8 weeks before any discount change (e.g. Year 1 & 2) is close enough to remember, long enough to adjust.



Co-development 3: Assure journey 3 – Leaving Assure and renewal process



- Co-development groups discussed the current renewal policy for Assure, which is a 'soft' renewal
- **Customers did not like the idea of a soft renewal, the reasons being:**
 - **Wasted resource:** If there are only a limited number of places on the scheme, why waste them on people who might not need it?
 - **Fraudsters:** Worried about people who don't 'need' or 'deserve' support taking the place of someone who needs it. They know how challenging life is for those in genuine need, and feel strongly that it isn't fair for someone ineligible to roll on. Some people thought that running spot checks imply that there are lots of scammers
 - **Unaware:** Fears about some people who no longer qualify and don't realise
 - **Passive:** Most agreed that the scheme shouldn't roll on before some sort of interaction, it's too passive
 - **Don't like vagueness:** A sense that customers in difficult circumstances would like things firm, fair and clear – they need to know exactly what help is available, and when it stops. 'Tell us how it is', nothing too 'wishy washy'
- **Middle ground suggestions to mitigate negative impact of hard renewal:**
 - Despite the general preference for hard(ish) renewal, there needs to be a balance
 - Some customers did acknowledge there would be greater admin costs associated with hard renewal as well as people in genuine need losing out because they don't re-apply (forget, overwhelmed or don't see it)
 - Ultimately, customers felt there needs to be some form of interaction before Assure can roll on, but re-applications could be much simpler - 1) just proof of income or 2) a simple self-declaration tick box
 - Renewing customers need: multiple warnings, preference-based method of comms and a simple renewal process



“You want to have a reminder because life is busy at the moment we're just focusing on this one thing now but in our lives lots of things happening”

Co-dev, Assure eligible, CAM

“[Prefer soft renewal because] if you did forget to put it back in and reapply, it's gonna get stopped, wasn't it in the old way. But you know, this way if you just like forget it or say if you're late, it's going to be a shoe-in if you still want to carry on”

Co-dev, Assure eligible, SSW

“But what happens if like, 18 months after they've started this, they do get a job? Really happy, yes, fantastic, earning money. They're over the threshold, but they don't remember to ring up... the last thing they're going to do is ring up and say let's make our bills more expensive”

Co-dev, Essential Use eligible, SSW

“It needs to be like a mix of the two... so I'd stick with the first, your reminder letter 'if nothing changes you'll stay on 40%', but I think you need to be able to say what your income is, just prove your income again”

Co-dev, Assure eligible, SSW

“I think that should be increased, have a higher percentage rate of checks”

Co-dev, Assure eligible, SSW

“You could do anything in that time, you could have won the lottery”

Co-dev, Essential Use eligible, CAM

“No, no, that's not right [soft renewal]... I think they should do an annual renewal or it doesn't even have to be a full renewal, just proof that you're still on that income”

Co-dev, Assure eligible, CAM

Co-development 3: Assure journey 3 – Leaving Assure, supporting off the scheme



- **Mixed views on the level of support and leniency that leavers should be afforded**
 - Some people thought 'tough', if you're not eligible, you're on your own. But, it's important to note their mental focus was on people who are suddenly on a much higher income, rather than just over the threshold
 - Others thought it was important to support people off the scheme and offer other help
- **Reminders should be multiple**
 - At least 2 reminders – 6-8 weeks before, plus a couple of weeks before
 - These need to match comms preferences or it could be missed
 - Possible grace period after – a few weeks extra to get it sorted after deadline
- **Exit communications**
 - Many Assure customers have complex lives and multiple issues, and not being eligible for Assure does not mean they no longer need any help
 - Exit comms should be:
 - Welcoming – get in contact, we can help, door is always open
 - Clear on rules – you can reapply for Assure any time, possibly fast-tracked?
 - Other water bill support – e.g. digital calculator, WaterSure
 - Signpost to other types of support – e.g. money advice, benefits, fuel, food



Assure journey recommendations



1 Joining Assure



What NOT to do

- Lengthy form with unnecessary questions
- Only one way to submit
- Require extensive proof of income evidence



What to do

- Online application form, mobile phone compatible
- Increase range of methods to submit proof of income
- Ensure gatekeeper relationships are strong – some people will always need help applying
- Advertise simplicity of the form when promoting Assure

2 While on Assure

- Hassle or continually update customers
- Make any changes to discount without warning
- Assume a customer's comms preferences

- Only communicate when there is a change to discount – and be very clear about this, no nasty surprises
- Tailor comms preferences – perhaps collect on application form

3 Renewing Assure

- Allow people to receive a discount who no longer need support
- Give too little warning about renewal
- Make it hard to renew

- Mid-point between hard and soft renewal. Require some action – proof of income or self-declare
- Allow 6-8 weeks to renew, with a 2 week reminder
- Tailor comms preferences
- Consider a grace period of a few days/weeks if customers forget – one last chance

4 Leaving Assure

- Let customers leave without offering other options for financial help
- Make it hard for customers to reapply if situation changes again

- Offer sign-posting to other organisations and other South Staffs support
- Be welcoming and clear about applying for Assure again
- Consider fast-track for past recipients – no need to fill out details, just proof of income

Summary of improving Assure



- Recipients of Assure, customers who would be eligible and stakeholders all shared positive reactions to the scheme, describing impacts on their mental load and finances. However, the money saved on the water bill is quickly absorbed by other household costs, and the impact is not life-changing by any stretch.
- There was some feedback that SSC could improve Assure through increasing the eligibility threshold beyond £19,050 because of the rising cost of living, and a few suggestions were made about amending the % discount to a constant 50% or graduated based on need (i.e. the lowest incomes get a higher discount).
- In terms of promoting Assure, it was clear through customer comments and stakeholder feedback that partnerships with community gatekeepers are an effective way to get more customers on Assure. Stakeholders in particular are impressed with the breadth and visibility of community outreach work. Customers suggested focusing on relationships with gatekeepers who worked with a high volume of people, the most vulnerable people, and were well-connected and trusted in their communities.
- There was a positive reaction to the idea of a digital eligibility calculator, particularly among those who were short of time and assumed they wouldn't be eligible for any support (i.e. those who are in employment). When this idea is worked up, it should be quick to complete, easy to do 'on the go', and have a contingency plan for people without internet access.
- When communicating with Assure participants, customers do not want to be 'hassled' or receive comms unless there is going to be a change to the discount. In this case, they want simple and clear comms, with enough notice to plan for a change, and communication method based on their personal preferences.
- Customers preferred a mid-point of a hard and soft renewal, feeling that it wasn't fair for customers to roll on without confirming they're still eligible for Assure. For customers who leave Assure, the best way to support them to was to send comms letting them know the door is always open, and signposting to alternative support.

Essential Use

Support levels, barriers & considerations for trial

Mixed initial reaction to 'Essential Use' tariff



- On first impression, the Essential Use tariff was met with mixed reaction in the qualitative stages
- Customers generally had more questions and concerns than positive comments; it is important to clarify and amend the tariff in response to these to give the trial the best chance of success
- **Household groups** were unsure if now was the right time to focus on a higher income bracket
 - **Positives:** Recognised many households with income over £19,050 are also struggling
 - **Concerns:** Why pilot a new scheme when there is a shortfall in those currently being helped on Assure vs who needs it – why not help those who are most in need first?
- **Stakeholders** were split – around half felt it was a good idea, while the other half had concerns
 - **Positives:** Something for a slightly higher income bracket who are certainly struggling
 - **Concerns:** Unhealthy over-restriction and obsession with monitoring usage (as with energy smart meters), possibly detract from the support offered to those most in need
- **Co-development** customers initially reacted negatively, mainly due to metering requirement
 - **Positives:** Good money saver for those already on a meter and those living alone, good for higher income bracket who miss out on lots of support
 - **Concerns:** Very strong resistance to switching to a meter, unfair on families / disabilities, might restrict to an unhealthy level and obsess over usage, too much to think about



Instant reaction to Essential Use: quotes



"We have a lot of under heated homes, because people are so terrified of putting heating on and getting a bill that they can't afford and I imagine in water as well. So again, if people are making reductions, it's not necessarily a good thing. It can be obviously, but it's not necessarily if you see consumption coming down, it's not necessarily good or healthy or whatever. It's just a way of saving money."

Stakeholder, both regions

"How are the allowances worked out of you know, how much they need? I mean, how generous is that? Over-restricting, that probably will depend on that... I would see this [over-restricting] as maybe a low risk"

Stakeholder, SSW

"I think it would be good to just encourage you to just be mindful of water use because you only get a certain amount and I would extend that to people earning more than £25K"

Co-dev, Assure eligible, CAM

"When you've got children who've got issues, my son's got OCD, when they've got to wash their hands, and it ain't just for a couple of minutes... you know that metering ain't an option"

Co-dev, Essential Use eligible, SSW

"As long as it's an opt in opt out system. One of the things people really get scared of is opt in and then you get stuck on it...It's the same with water meters that people get stuck on a tariff that they can't afford."

Stakeholder, SSW

Introducing the 'Essential Use' tariff in the survey



- The following description was included in the survey to explain the 'Essential Use' tariff, along with an accompanying visual;

It's currently called the "Essential Use Tariff" and it would be aimed at customers with a household income between £19,050 and £25,000, excluding any Disability benefits, Carer's allowance, Housing benefit or Council Tax benefit they receive. Any household that qualifies for this new tariff would have a discount applied to their water charges on a set amount of water that they need for "essential use". Everything above the "essential use" amount would be charged at the standard rate the household currently pays for its water.

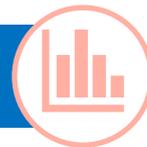
Water for "essential use" is intended to cover the amount someone needs for everyday tasks like bathing, drinking, cooking, flushing toilets and washing. It is planned to be defined as 75 litres of water per person used per day. That's the same as 7 buckets of water for each person a day, or around half a bath tub. For people who live by themselves a higher "essential use" figure will be used.

Charging in this way would reduce the water bill of people who don't qualify for Assure but are still likely to be struggling with their bills.

Note;

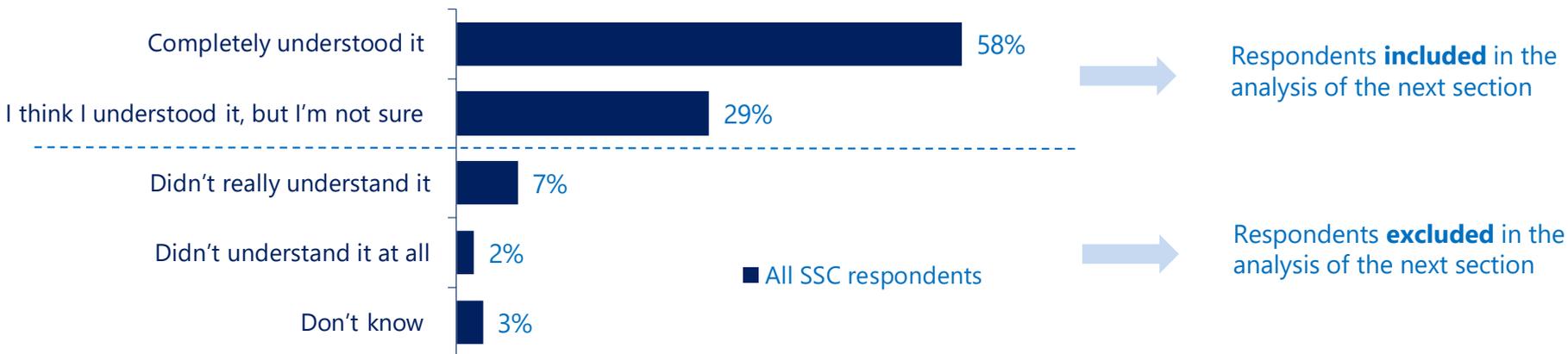
- The amount of water charged as "essential use" would be worked out based on the number of people in the household
- The tariff would only apply to customers with a water meter (but those without could switch to a meter to receive the new tariff)
- Please remember if you go over your "essential use" level you aren't paying more, you are just paying the amount you would have done before. It is not a penalty.

Generally, 88% understood 'Essential Use' as it was explained in the survey



- After viewing the description of the 'Essential Use' tariff and responding to questions about it, all respondents were asked how well they'd understood the concept to establish if the description included in the survey provided sufficient clarity for respondents to answer accurately (note this question was added after some initial surveys had been completed so the base size below is reduced).
- Response is shown below and highlights that the majority felt they 'Completely understood it' or thought they '... understood it, but I'm not sure' (this proportion was 88% when these responses were 'netted' together). It was decided to exclude respondents who did not give either or these responses from the analysis of findings for this section to ensure results are only based on those with a good enough understanding of the concept to give a considered response. (Note, anyone not asked the question below was also included).

Q30a. Which of the following best describes how well you'd say you understood the idea of this new 'Essential Use' tariff?



Base: All respondents asked this question (1,294)

Some differences between those who did/didn't understand were evident



- The table below summarises significant differences between respondents who understood from the survey description how 'Essential Use' would work and those who did not (and have therefore been removed from the following analysis) – Note that 54% of those who did not understand 'Essential Use' also didn't understand matched funding.
- Those who struggled the most to follow the concept were less likely to be CAM customers and to be metered, but more likely to be from a BAME background and aged 18-34. Additionally, they tended to be facing tougher financial circumstances with the majority currently "Just getting by" / "Finding it quite difficult" / "Finding it very difficult". Perhaps because of this they were more likely to not accept the lowest contribution amount tested in the survey (£6.00).

Q30a. Which of the following best describes how well you'd say you understood the idea of this new 'Essential Use' tariff?

	NET: Completely understood it / I think I understood it, but I'm not sure (INCLUDED)	NET: Didn't really understand it / Didn't understand it at all / Don't know (REMOVED)
CAM respondents	21%	11%
Metered	49%	41%
"I always pay my water bill, and other household bills, on time"	88%	78%
Do not accept a contribution of £6.00	34%	43%
"Just getting by" / "Finding it quite difficult" / "Finding it very difficult"	50%	67%
Aged: 18-34	12%	7%
NET: BAME	8%	15%

Base: All who understood 'Essential Use' tariff (1,135) / All who didn't understand it (159)

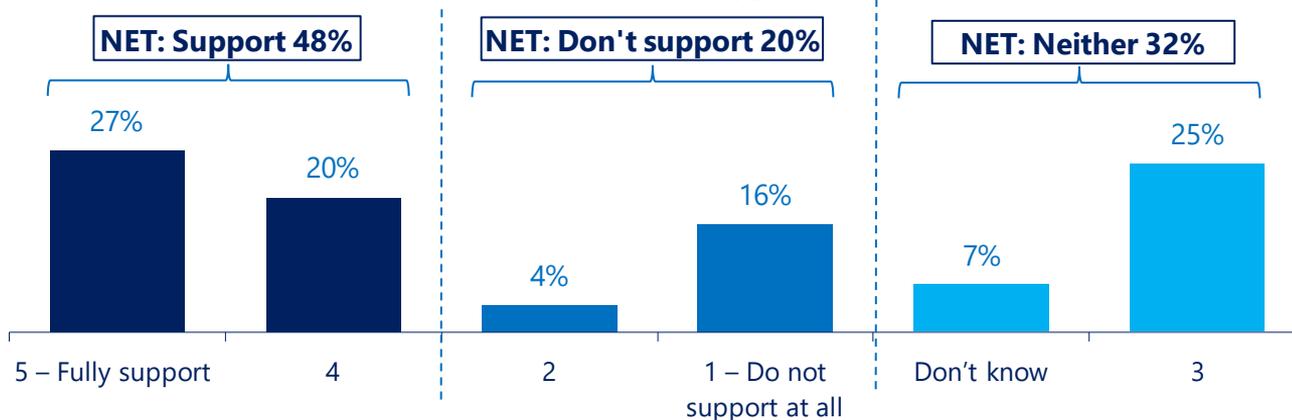
NB: A blue cell in the table above indicates a significant differences between these two sub-groups.

48% would support the introduction of the new 'Essential Use' tariff



- Support for the introduction of the 'Essential Use' tariff is shown below, with responses divided into those who 'support' (a score of 4 or 5), those who 'don't support' (a score of 1 or 2) and those who 'neither' support nor don't support (a score of 3 or 'Don't know').
- On balance, amongst those indicating a view either way, respondents were more than twice as likely to 'support' the introduction of 'Essential Use' as they were to say they 'don't support' it (48% vs. 20%). Additionally, the proportion indicating the strongest support (a score of 5) was significantly higher than the proportion that rejected the new tariff most firmly (a score of 1) – 27% vs. 16%.
- 32% indicated they 'neither' support nor don't support 'Essential Use' - most gave the mid-point score of 3 and as those with low understanding are not included, it seems likely that many of these simply don't have a strong opinion either way.

Q28. In principle, do you support the introduction of this new tariff? Please give your answer on a scale of 1 to 5, where 5 means you fully support it and 1 means you don't support it at all?



Base: All who understood the 'Essential Use' tariff (1,201)

Few differences in levels of support exist amongst sub-groups



- When respondents who support it were asked in the survey why they supported the introduction of the 'Essential Use' tariff, few specific reasons were given and most simply said that the 'scheme is good/acceptable' (63%).
- The main reasons for not supporting it were varied, but mentioned most often were comments that 'customers should not contribute to others' bills' (15%) and that the 'income limit is too high / other scheme already enough / target income bracket can afford their bills' (13%).
- The table below summarises significant differences in levels of NET: Support amongst key sub-groups.
- There are few significant difference evident, but it's notable that support is higher amongst those who said that after answering the section of questions on the 'Essential Use' tariff they 'completely understood it' compared with those who only '...think I understood, but I am not survey' (52% vs. 38%). This may suggest that a more thorough understanding leads to an increase in support.
- One important sub-group not featured in the table below are metered vs. unmetered respondents. The qualitative research highlighted different views amongst these groups, but there is no significant difference between them recorded in the survey.

Q28. In principle, do you support the introduction of this new tariff?

- NET: Support (Score of 4 or 5) -

Summary of significant differences amongst sub-groups

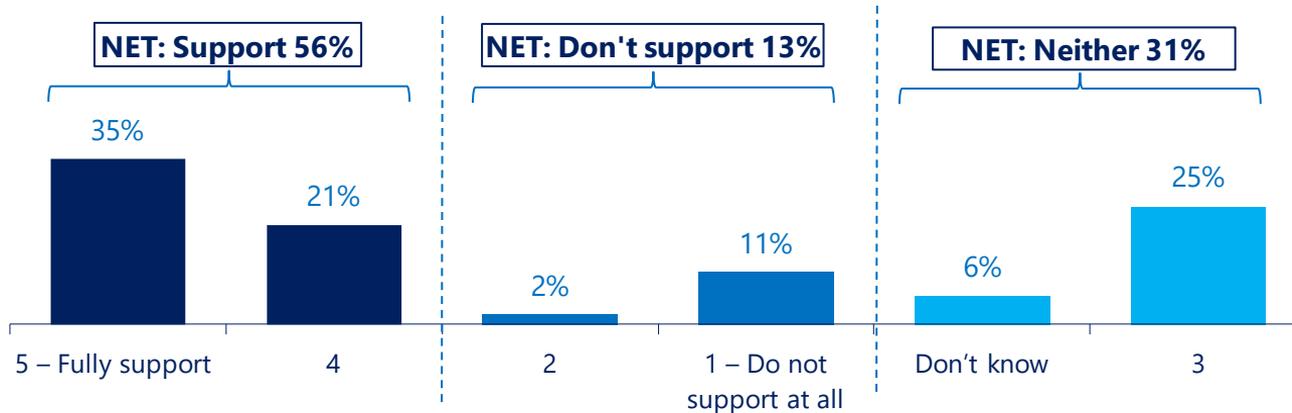
CAM respondents	57%	vs.	SSW respondents	45%
'Completely understood' Essential Use	52%	vs.	'I think I understood [Essential Use], but I'm not sure'	38%
Financially Vulnerable	55%	vs.	Not Financially Vulnerable	45%

Amongst target customers for 'Essential Use', support increases to 56%



- The chart below shows levels of support amongst respondents with an annual household income of £19,050 - £25,000 – these are the customers that 'Essential Use' would be aimed at.
- It highlights that support increases amongst these customers to 56%, with a corresponding decline in the proportion that indicated they 'don't support' the new tariff's introduction (from 20% amongst 'All SSC respondents' to 13% amongst target customers).
- Splitting these customers between metered and unmetered shows that support is greater amongst those with a meter (64%) than those without (50%) but this is not statistically significant. However, the proportion that would 'fully support' it's launch is significantly higher amongst metered customers in this income bracket than unmetered ones (43% vs. 29%)

Q28. In principle, do you support the introduction of this new tariff? - amongst those with a HH income of £19,050 - £25,000 -



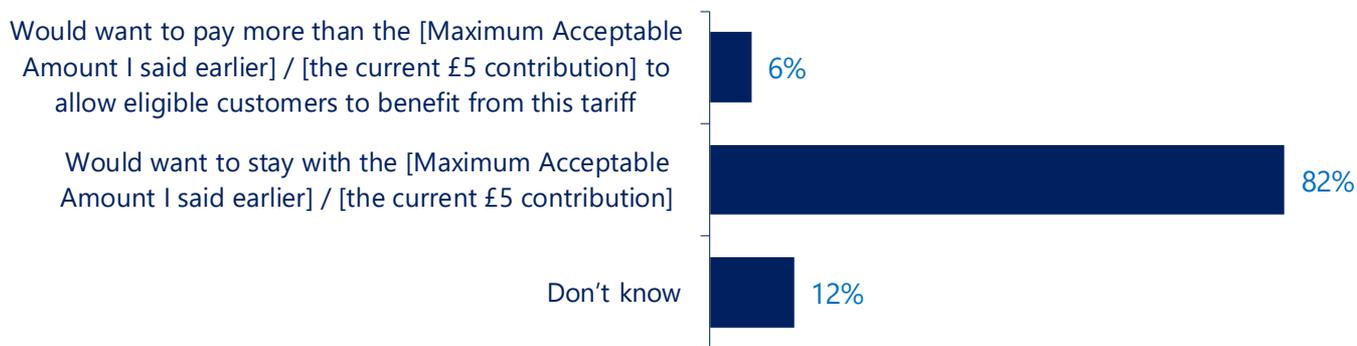
Base: All who understood the 'Essential Use' tariff with HH income of £19,050 - £25,000 (162)

Introducing 'Essential Use' is likely to have a small impact on contributions



- A single question was included to understand the possible impact of the introduction of the 'Essential Use' tariff on levels of cross-subsidy contribution. It was only asked of those who gave a score of 3-5 out of 5 for support (i.e. they didn't outright reject it).
- If respondents had accepted an increase in contribution to £6.00 or more then they were reminded of their Maximum Acceptable Amount when answering. If they had not accepted any increase, they were reminded that the current contribution level is £5.00.
- As the chart below highlights, introducing this new tariff wouldn't encourage most respondents to pay a higher contribution - 82% said they'd stick with their original Maximum Acceptable Amount / the current contribution level of £5.00.
- 6% said they would 'pay more' (note, questions were not included to determine how much more).

Q30. If this new tariff was introduced and was funded in the same way as the Assure scheme through contributions made by customers in their water bills, what difference would this make to the amount you'd be happy to contribute?



Base: All who understood 'Essential Use' and gave a score of 3-5 for support (823)

Essential Use tariff most likely to be popular with metered customers



- **Metered customers reaction:**
 - Generally speaking, it is a 'no-brainer' for customers already on a meter to try the Essential Use tariff, as they will definitely save money.
 - However, this didn't always register right away, and some metered customers felt like they would have to restrict their water use to get a benefit from it, which wasn't always something they wanted to do.
- **Unmetered customers reaction:**
 - There was very strong resistance to the idea of going on a meter, even if it meant receiving a discount.
 - This ultimately came down to customers believing they would be financially and mentally worse off, even with the discounted rate.
 - For some households, this may well be true – for example those with lots of children or medical conditions. Can the tariff be adapted for them or is it simply not for them?
 - For unmetered households that were actually low users, they could stand to benefit but will likely take some convincing.
 - The main challenge to success is helping customers overcome these fears and assumptions through education and reassurance.

High Users		
Low Users		
	Metered	Unmetered

Overcome the main barriers and risks through education and reassurances



Category	Barrier	Risk if not addressed	Mainly affects	Solution
Self-awareness	- Not aware if current usage is high or low	- Assume they wouldn't save and don't apply	- Unmetered HHs	- Educate on average and 'essential' usage in real terms
Self-awareness	- Not aware if current bill is high or low	- Assume they wouldn't save and don't apply	- Unmetered HHs	- Educate on average metered vs unmetered vs essential use bills
Fears & anxieties	- Assumption or fear that bill would be higher (even with the discount) due to high usage – children, medical etc	- Assume they wouldn't save or not worth hassle and don't apply - Anxiety & stress about each bill - Don't actually save money	- Unmetered HHs - Families - Disabilities	- Cap at old bill amount or provide ghost billing - Extra water allowance for children / medical conditions
Fears & anxieties	- Desperate to save money and anxiety around bills already very high, this is another thing to worry about	- Obsession with monitoring - Unhealthy water restriction - Anxiety & stress about each bill - Don't apply to avoid worrying	- Unmetered HHs - Financially vulnerable / debts - Mental health	- Do not provide smart meters - Cap at old bill amount - Reassurance on what 'essential use' amount covers
Water saving	- Not bought in to water saving ethos or aware of why water saving is important	- Don't apply – what's the point, don't want to restrict water use	- Unmetered HHs - High water users	- Educate on need to conserve water including future impact
Water saving	- Not aware of how to save water in an easy, healthy way	- Tariff not impactful as customer doesn't save water - Don't apply as it seems too hard	- All households	- Free water saving products integrated into application - Educate on water saving tips

Explaining barriers and how to help customers overcome them



Fear or assumption that bills will go up – This is the biggest barrier for unmetered customers. Some are high users by necessity (families, medical conditions) and don't think the tariff is aimed at them. Others are just unaware of what constitutes high or low usage, or high or low bills, so have no idea where they sit or how much they could save. A clear comparison of different types of average bills (metered, unmetered, different household makeups) will help educate.



Don't want to have to think about water – Currently, water feels like the only bill that they don't have to restrict or think about usage. It's exhausting and terrifying worrying about all the other bills, and many customers simply don't want to add water to the list. This is a challenge to overcome, so the reward must feel like it's worth it.



Desperation to save money – Customers in complex, vulnerable circumstances could be tempted to restrict water usage to an unhealthy level, becoming an obsession and inducing anxiety. It's important to offer advice and education so customers don't go overboard. Also, don't offer too frequent updates for them to obsess over, it's too stressful.



Essential use limit seems too low – Customers seemed to fixate on the 75 litres / half a bathtub, as it seems too low meaning they dismiss the idea of the tariff without knowing what it actually means in terms of daily life. In order to help customers imagine themselves using it, spell this out in easier terms. What does an essential use household look like? Also, consider extra allowances above 75 litres for children and disabilities / medical conditions in particular.



It seems too complicated or hard – Overall, it feels like too much effort for potentially a very small reward. Comms must make it feel easy to save water and clearly lay out money saving opportunities. Offer a simple guide (perhaps tailored to different household types) and offer free water saving devices as part of the application process. Need to overcome the perception that it needs a dramatic lifestyle overhaul to save money, and tip the hassle vs reward balance.

Essential Use barriers: quotes



“No, just no. Because of the amount of water I use, the amount I would have to pay, just no”

Co-dev, Essential Use eligible, CAM

“We’ve got a massive fish tank, oh my god no. The garden we do water as well... And I do 6 loads of washing on a weekend”

Co-dev, Essential Use eligible, CAM

“Every family is different, you and me, we’re watering the plants and having a bath, and got children. Other people live alone and don’t need that”

Co-dev, Assure eligible, SSW

“If you’re on a meter and you sign up for this scheme, yeah, what are you gonna lose?”

Co-dev, Essential Use eligible, CAM

“It would stress me out monitoring, thinking oh my god it’s gone up”

Co-dev, Assure, CAM

“It’ll just be a way of them getting a meter into my property which I don’t want... I like having a bath every night. And it’s a full bath. And I do the washing when I need to do the washing and I water the garden and I’ve got loads of flowers everywhere. And I do not want to be on a meter”

Co-dev, Essential Use eligible, SSW

“Well, I have a bath every day because of my disability. So I would be penalised because I have a whole bath every day”

Co-dev, Assure, CAM

Refining the Essential Use tariff



- **Name**
 - Essential Use didn't mean much, or mention the money saving benefits
 - 'Reduce and Save' went down positively in all groups
- **Positioning as water or money saving**
 - Primary appeal to customers was money saving, but suspected that the main aim is to save water
 - Be honest about the need to save water and its role in the tariff – not much awareness currently
- **Eligibility criteria**
 - Positive reaction that there is something for this bracket but could be higher than £25K (e.g. £27K or £30K)
 - Households on much higher incomes than £25K are struggling to pay their bills and would benefit
 - If it's a water saving scheme rather than money saving, why can't it be open to a much wider bracket?
 - Must have the child allowance otherwise it is muddled with Assure eligibility and not consistent
- **Structure and % discount**
 - 50% fine preferred flat discount to tapered/levels
 - Essential Use allocation should take into account medical conditions and children (extra daily litres per child)
- **Monitoring water use**
 - Ideally customers could choose their frequency of monitoring, preferences ranged from weekly to 6-monthly.
 - Generally settled on a quarterly summary of usage, advice on reducing if you want to reduce – not aggressive!
 - Customers were unsure about how it would be billed i.e. build credit like energy or in arrears for past quarter?

Comms design activity revealed preference for a clear, simple offer



When reviewing two options for promotional comms, overall preference was for blue text over orange, with some mix and match



- Short, snappy, not much to read
- Clear eligibility criteria upfront
- 'Hook' of a 50% discount
- Bullet points keep it simple
- Emphasise free things
- Support for metering concerns (groups were very concerned about switching to a meter)
- Clear explanation and reassure that going over isn't a penalty
- Make application seem easy
- Freephone number

South Staffs / Cambridge Water name and logo

Headline

Sign up to our new tariff to get 50% off your essential water use ??

Household income under £25k? You could get a discount on your clean water bill

Explain the tariff

If you have a household income between £19-25k a year, you could sign up for our essential use trial. You get a 50% discount on all essential water use, which is about 75?? litres per person, per day. Any water usage after that, you pay the normal rate. You must have a water meter installed – we can do this for you for free if you don't have one.

Join our 'essential use' tariff if you:

- Have a £19-25k annual household income
- Have a water meter (or are willing to get one) installed for free
- Want to save money on your water bill

The tariff saves you money by:

- Giving you 50% off any essential water use
- Offering you free water saving devices and advice to get your bill down ??

Overcome concerns

If you're worried about going on a meter, estimate how much you could save using this online tool. We have lots of advice and support to help you manage the switch.

Talk to us if you have any questions or concerns, contact us on 0345 60 70 456

Call to action

Get saving today – apply online here, it only takes 5 minutes!

Give us a call or search 'essential use tariff' online to find out if you could save



- Long sentences or paragraphs
- Confusing eligibility criteria
- Have to search for relevant info
- What does 'essential use' mean? Spell out what this usage entails
- Not clear how long it lasts for
- What are water saving devices?
- Not just online applications



- Literal image rather than cryptic
- Water saving = money saving
- Make water saving look good i.e. not a trickle or a broken shower

Next steps: Define and structure the tariff



- **Step 1: Define the purpose and audience of the tariff**

- **Purpose:** Primarily money or water saving? Needs a clear identity in order to structure it and pitch it clearly
- **Trial purpose:** What constitutes a successful trial? Money saved? Meter switching? Behaviour change?
- **Audience:** Aimed at already metered customers or unmetered convincing to switch?
- **Audience:** Aimed at necessary high users (families, medical), general high users or conscious users of water?
- **Audience:** Aimed at only those likely to control their water usage (i.e. not families, disabilities)?
- **Audience:** Aimed at only low income or medium income households as well?
- **Action:** Discuss and decide whether to have a very focused trial likely to succeed, or a more wide-ranging trial which will encounter numerous barriers and produce learnings for wider rollout

- **Step 2: Restructure the tariff to be more appealing and effective**

- **Essential allowance:** Add an additional water allowance for customers with medical conditions and children
- **Metering switching:** Consider how to support customers nervous about the switch e.g. ghost billing
- **Eligibility criteria:** Consider raising to a higher income bracket (upper limit £27K - £30K), all mid-low income households should have the opportunity to save
- **Eligibility criteria:** Add an income allowance per child, similar to Assure
- **Action:** Discuss and decide allowance and income threshold that will best appeal to target audience

Next steps: Explain and convince customers to join trial



- **Step 3: Explain the tariff clearly and simply**

- **Examples:** 'Essential use' or 75 litres per person means nothing to customers and seems very low. Instead, explain in context of 'a week in the life of' different households.
- **Visuals:** Current diagram too confusing, strip it down and avoid too many figures, % or jargon
- **Clear message:** Short, sharp FAQs - Who is it for? Why do we need to conserve water? How long does the tariff last? What is my bill likely to be? Will I be penalised for going over? Can I switch back?
- **Action:** Create clear, simple explanation and test with uninformed audiences of different backgrounds

- **Step 4: Promote the tariff in a way that convinces customers to join trial**

- **Metered:** promote as a 'no lose' situation, offer free water saving devices and simple tips to reduce
- **Unmetered:** target those most likely to save, use case studies and real life examples of usage levels
- **Monitoring:** Don't overdo the monitoring as this is what panics customers, a quarterly summary with some water saving tips is enough.
- **Monitoring:** For currently unmetered, consider how to reassure customers in the first quarter that their bill won't shoot up e.g. have a cap or ghost bill for the first quarter, and can switch back
- **Action:** Create mock-ups of trial communications using above principles
- **Action:** Iterative process of testing with customers – SSC colleagues who are customers, H2Online Community, targeted qualitative testing with customers of different backgrounds

Summary of the new '*Essential Use*' tariff

- It was evident from the qualitative research that the way the '*Essential Use*' tariff would work does require some thought and there are nuances in its proposed structure that customers are required to consider carefully.
- The evidence in the survey suggests that where customers have '*Completely understood*' the concept they are more supportive, suggesting that ensuring a thorough understanding is crucial to anyone considering moving to this tariff. This was backed up by the qualitative research, where customers needed the concept explaining before they could identify any benefits to the tariff.
- Consequently, the communication and positioning of the new tariff will be very important to get right to ensure informed buy-in amongst target customers.
- **48% of 'All SSC respondents' would 'Support' the introduction of 'Essential Use'** – however this is not to say that the remainder actively wouldn't support its introduction as only 20% indicated that they '*Don't support*' this. Instead, respondents seem more likely to be ambiguous/indifferent to its launch (32% indicated that they '*Neither*' support nor don't support launching '*Essential Use*').
- **There is majority support (56%) amongst target customers** (those with an income between £19,050-£25,000) and the proportion that actively '*Don't support*' its launch declines to 13%;
 - Amongst metered target customers support increases to 64% (although this isn't significantly higher than unmetered).
- A strong theme from the qualitative research was concern about the need to install a meter to be eligible for the '*Essential Use*' tariff – for many this was a major barrier and enough to dissuade them from considering the new tariff if eligible. The potential saving from '*Essential Use*' is unlikely to motivate a switch to a meter, especially among high users of water.
- Introducing '*Essential Use*' wouldn't encourage many customers to want to contribute more to help struggling customers (6% said they'd be prepared to do this).

Appendices

- Appendix 1 – qualitative research samples
- Appendix 2 – quantitative research sample
- Appendix 3 – max acceptable amount by segment and IMD
- Appendix 4 – feedback on qualitative research
- Appendix 5 – links to supporting documents

Appendix 1 - Household focus group qualitative sample

	SSW (x12)		CAM (x11)	
Life stage	6x pre- / young family 3x pre-family 3x young family	6x family / post-family 3x family 3x post-family	5x family / post-family 5x post-family	6x pre- / young family 4x pre-family 2x young family
Social grade*	6x BC1 3x B 3x C1	6x C2DE 4x C2 1x D 1x E	6x BC1 1x B 4x C1	5x C2DE 4x C2 1x D
Gender	3x female 3x male	3x female 3x male	5x female	4x female 2x male
Urban / Rural	2x urban 1x town 3x rural	2x urban 1x town 3x rural	5x rural	1x urban 5x rural
Ethnicity	4x White British 1x Black British 1x Indian	4x White British 1x Black British 1x Indian	5x White British	6x White British
Metered	2x metered 4x unmetered	4x metered 2x unmetered	5x metered	2x metered 4x unmetered

*Social Grades:

B= Higher & intermediate managerial, administrative, professional occupations

C1= Supervisory, clerical & junior managerial, administrative, professional occupations

C2= Skilled manual occupations

D= Semi-skilled & unskilled manual occupations

E= Unemployed

Appendix 1 - Cognitive testing sample

	Cognitive interviews x10
Region	6x South Staffs region 4x Cambridge region
Age	1x under 40 6x 40-69 3x over 70
Social grade	2x B 4x C1 3x C2 1x D
Gender	5x female 5x male
Urban / Rural	5x urban 5x rural
First language	7x English first language 3x English not first language
Metered	5x long-term condition / disability 2x mental health condition 2x cognitive disability e.g. dyslexia, autism, ADHD

Appendix 1 - Co-development qualitative sample

	CAM (x14)			SSW (x12)		
Eligibility	5x Assure	5x Assure eligible	4x Essential Use eligible	3x Assure	4x Assure eligible	5x Essential Use eligible
Gender	3x female 2x male	4x female 1x male	3x female 1x male	1x female 2x male	1x female 3x male	3x female 2x male
Life stage	3x pre-/younger family 2x older/post-family	1x pre-/younger family 4x older/post-family	1x pre-/younger family 3x older/post-family	3x older/post-family	2x pre-/younger family 2x older/post-family	3x pre-/younger family 2x older/post-family
Employment	1x employed 2x unemployed 2x retired	3x employed 1x unemployed 1x retired	4x employed	1x unemployed 1x retired 1x employed	1x employed 3x unemployed	4x employed 1x unemployed
Ethnicity	5x White British	5x White British	1x White British 2x Black British 1x Chinese British	3x White British	4x White British	4x White British 1x Black British
Disability	5x physical health/disability 2x dyslexia, autism, ADHD	2x physical health/disability 1x mental health 2x dyslexia, autism, ADHD	1x physical health/disability	1x physical health/disability 3x mental health 1x dyslexia, autism, ADHD	3x physical health/disability 3x mental health 1x dyslexia, autism, ADHD	2x physical health/disability 1x mental health
Metered	3x metered 2x unmetered	3x metered 2x unmetered	1x metered 3x unmetered	1x metered 2x unmetered	1x metered 3x unmetered	1x metered 4x unmetered

Appendix 2 - Survey sample summary – Index of Multiple Deprivation (IMD)

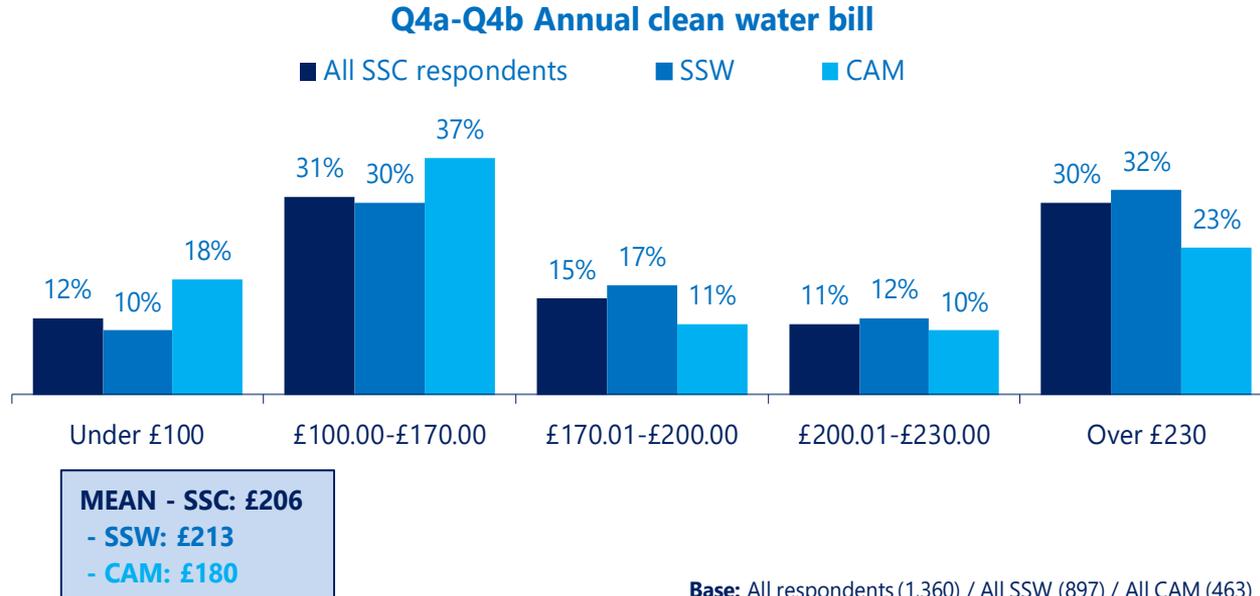
- The table below shows the unweighted and weighted profile of SSW/CAM survey respondents for IMD deciles;

Profiling Criteria	Customer Base (SSW)		All SSW respondents			Customer Base (CAM)		All CAM respondents		
	%	n	%	n	%	%	n	%	n	%
IMD (profile from SSC database)										
Most deprived (1 st decile)	14%	93	11%	120	12%	-	-	-	-	-
2 nd decile	18%	143	17%	176	17%	1%	4	1%	3	2%
3 rd decile	9%	78	9%	102	10%	3%	15	4%	8	4%
4 th decile	8%	72	9%	99	10%	1%	3	1%	1	1%
5 th decile	8%	68	8%	82	8%	12%	50	15%	28	14%
6 th decile	9%	72	9%	87	9%	11%	40	12%	25	13%
7 th decile	9%	77	9%	85	8%	14%	41	12%	22	11%
8 th decile	10%	84	10%	90	9%	18%	62	18%	36	18%
9 th decile	9%	90	11%	112	11%	18%	56	17%	32	16%
Least deprived (10 th decile)	6%	61	7%	62	6%	22%	67	20%	39	20%
Not established	-	59	-	70	-	-	125	-	81	-
Total		897		1,084			463		276	

Appendix 2 - Annual clean water bill



- A series of questions were included to establish each survey respondent's annual clean water bill.
- Regardless of whether they understood that SSC only provides clean water or not, they were asked to outline their total water bill and then the proportion of this that covers clean water was calculated - If they could not estimate their total bill the following average customer bill was used (Metered – SSW: £168, CAM: £154 / Unmetered – SSW: £177, CAM: £184).
- The chart below summarises clean water bills amongst survey respondents;



Appendix 3 - SSC Customer Segment

- The following slide outlines the *Maximum Acceptable Amount* by SSC customer segment
- The table below provides detail about these segments and confirms the profile of the sample by segment;

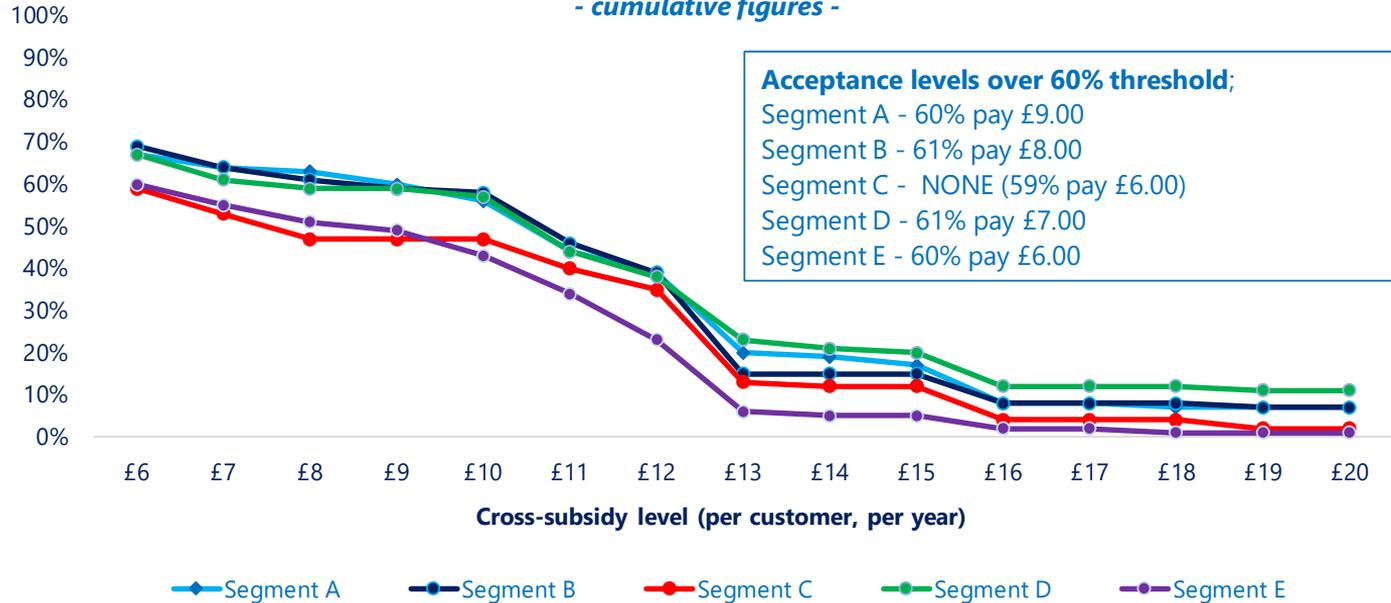
SSC Customer segment	Overview of segment	SSC customer base	Survey sample ('All SSC Respondents')
A	Very time pressed juggling all their commitments. Consequently, don't think much about their water usage and don't want their time wasted. Often online.	23%	15%
B	Highly engaged with their water usage and the wider community they live in. Expect a very high level of service from companies they use. Use technology, but prefer a personal relationship.	35%	46%
C	Often financially and time pressured. Strong preference for being online and using social media.	15%	14%
D	Highly engaged with using the 'latest' technology and managing their lives online. Switched-on to saving water.	8%	10%
E	Highly engaged with technology and very focused on their network of family and friends. Admit to not thinking much about their water usage or services and prefer a more transactional relationship with their water company.	18%	16%

Appendix 3 - Maximum Acceptable Amount – SSC Customer Segments



- Appendix 3 details further analysis of the Maximum Acceptable Amount amongst SSC Customer Segments and by ONS’s Index of Multiple Deprivation (IMD) classification.
- The chart below shows the Maximum Acceptable Amount amongst SSC’s Customer Segments;

Q8-Q15. Maximum Acceptable Amount - by SSC Customer Segment
- cumulative figures -



NOTE: respondents were not asked how acceptable they consider the current cross-subsidy level (£5) to be.

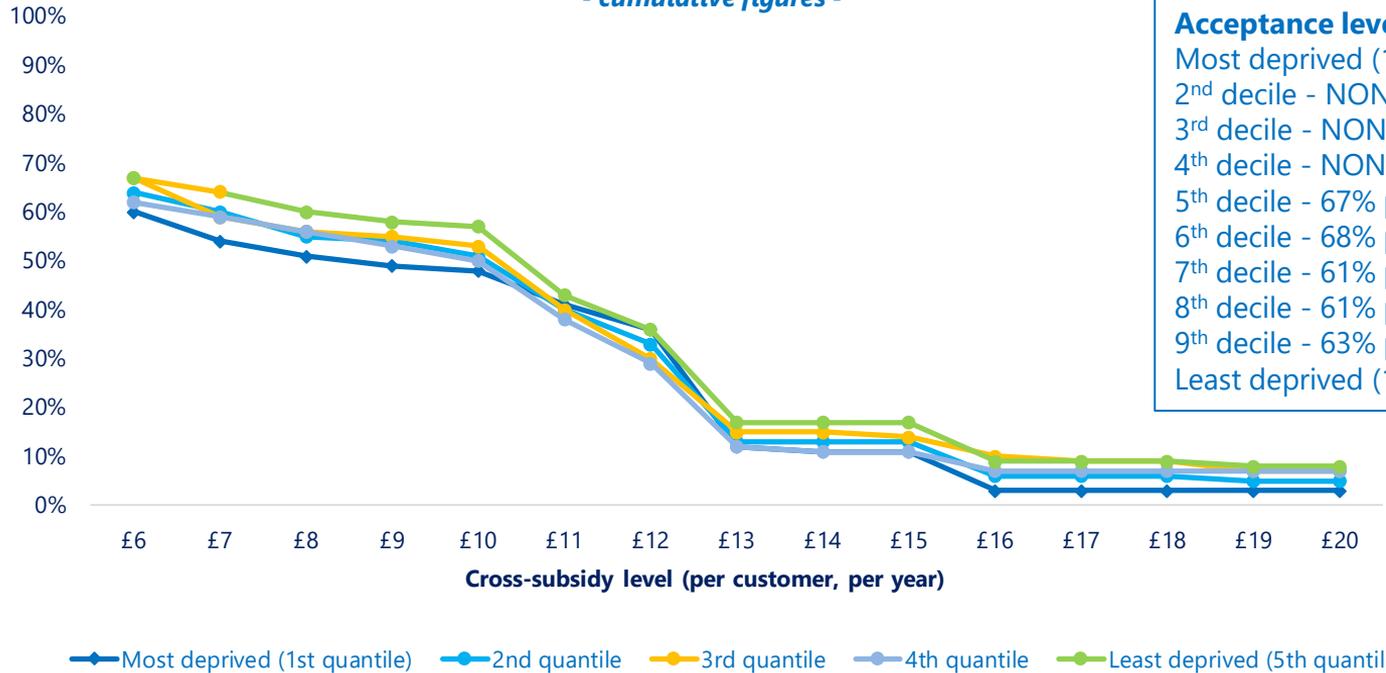
Base: All respondents (1,360)

Appendix 3 - Maximum Acceptable Amount – IMD



- The chart below shows the Maximum Acceptable Amount by IMD quantile, while the box shows detail for each decile;

Q8-Q15. Maximum Acceptable Amount - by IMD quantile
- cumulative figures -



Acceptance levels by decile over 60% threshold;
 Most deprived (1st decile) - 63% pay £6.00
 2nd decile - NONE (57% pay £6.00)
 3rd decile - NONE (57% pay £6.00)
 4th decile - NONE (60% pay £10.00)
 5th decile - 67% pay £6.00
 6th decile - 68% pay £6.00
 7th decile - 61% pay £7.00
 8th decile - 61% pay £6.00
 9th decile - 63% pay £7.00
 Least deprived (10th decile) - 61% pay £8.00

NOTE: respondents were not asked how acceptable they consider the current cross-subsidy level (£5) to be.

Base: All who could be allocated to an IMD quantile (1,176)

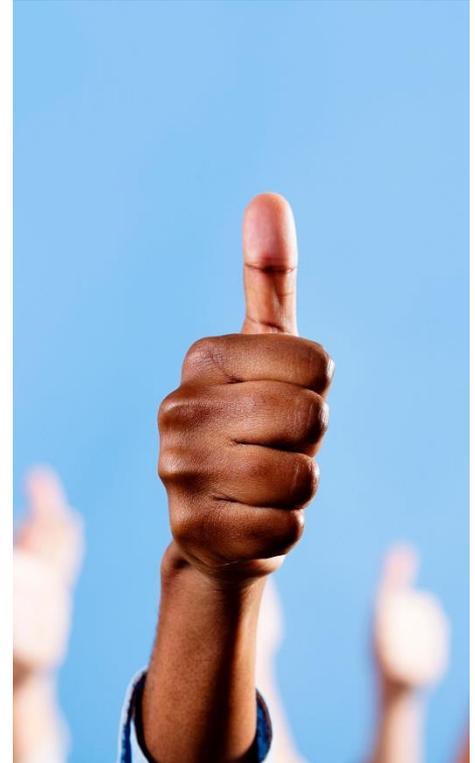
Appendix 4 - Feedback on qualitative research quality

Respondents were asked to rate the statements on a scale of 1 to 5, where 1 equals strongly disagree and 5 equals strongly agree – mean scores are shown below

	SSW		CAM		Average
	Household customer groups	Co-development workshops	Household customer groups	Co-development workshops	All research
Q1: I enjoyed taking part in the workshop	4.86	4.67	4.43	4.67	4.66
Q2: Everyone was given a fair chance to have their say in the discussion	4.71	5	4.86	5	4.89
Q3: The event was well organised and structured	4.43	5	4.57	4.83	4.71
Q4: The information provided during the workshop was clear and easy to understand	4.71	4.67	4.71	4.75	4.71
Q5: I understood the purpose of the group discussion and how my feedback would be used	4.71	4.67	4.71	4.75	4.71
Q6: The venue was perfect for the session and made me feel comfortable	-	4.5	-	4.33	4.42
Base size	7	6	7	12	32

Appendix 4 - Commentary on qualitative research feedback

- Overall, the qualitative research process was well received amongst respondents.
- On average, across all the feedback surveys, respondents strongly agreed with the statement *everyone was given a fair chance to have their say in the discussion* with an average rating of 4.89
- Respondents also felt their respective events were well-organised, clear and that they understood the information provided and the purpose of their session, with Questions 3, 4, and 5 all receiving an average rating of 4.71.
- Although the respondents who participated in the South Staffs Water General Research event did rate the organisation of their event slightly lower, with an average rating of 4.43 compared to the overall average of 4.71.
- Participants in the face-to-face workshops did provide a slightly lower average rating for Q6 *the venue was perfect for the session and made me feel comfortable* compared to other feedback questions, with an average rating of 4.42.



Appendix 4 – Feedback on qualitative research - quotes

“The interviewer was very professional.”
Cognitive testing participant, SSW

“I'd never taken part in anything like this before so wasn't sure what I'd bring to the group. The welcome from the organisers was friendly...[moderator] who ran our table was very thorough and gave everyone chance to talk, also structuring his questions so they were easy to answer. I contributed lots as I felt at ease from the start.”

Face-To-Face Workshop Participant, SSW

“Doing it via Zoom is fine but I preferred focus groups when we met at a venue and all sat together.”
Focus group participant, CAM

“Maybe add a few examples of how a water meter could benefit different households, e.g; show before and after calculations.”

Face-To-Face Workshop Participant, CAM

“It was good to hear other people's views and it was good that someone from Cambridge Water was there to answer any queries.”
Face-To-Face Workshop Participant, CAM

Appendix 5 – links to supporting documents

- All research materials and supporting documents can be found in a separate document which is available here: https://www.south-staffs-water.co.uk/media/4345/ssc_social_tariffs_research_supporting_documents-1.pdf
- Outlined below is a summary of the content of that document.

CONTENTS

1. Method Statement

- 1.1 Qualitative: Household Focus Groups
- 1.2 Qualitative: Stakeholder Interviews
- 1.3 Qualitative: Co-development Workshops
- 1.4 Quantitative: Surveying
 - 1.4.1 Cognitive Testing
 - 1.4.2 Direct Survey – Online
 - 1.4.3 Panel Survey – Online
 - 1.4.4 Vulnerable/Digitally Disengaged Survey – Face-to-face
 - 1.4.5 PSR Survey – Phone
 - 1.4.6 H2Online Survey – Online
- 1.5 Quantitative: Data Analysis

2. Qualitative Research: Supporting materials

- 2.1 Household Focus Groups
 - 2.1.1 Discussion Guide
 - 2.2.2 Stimulus Material Presentation
- 2.2 Stakeholder Depth Interviews
 - 2.2.1 Discussion Guide
- 2.3 Co-development Workshops
 - 2.3.1 Discussion Guide
 - 2.3.2 Stimulus Material Presentation
 - 2.3.3 Stimulus Material Showcards

3. Quantitative Research: Supporting materials

- 3.1 Questionnaire
- 3.2 Cognitive Interviews – Questionnaire Amends
- 3.3 Weighting Schedule

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