South Staffs Water and Cambridge Water (SSC)

Long-term Delivery Strategy customer research
Final Report June 2023

Full colour thinking from Turquoise for SSC

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1. Glossary of Terms

Terms	Definition
CAM	Cambridge Water supply region
ICG	Independent Challenge Group
HH	Household
LTDS	Long term delivery strategy
NHH	Non-household (business customers)
PCC	Per Capita consumption
SSC	South Staffs and Cambridge Water
SS	South Staffs Water supply region

2. Background

South Staffs Water PLC (SSC) provides clean water to approximately 1.6 million people across its two regions - South Staffs (SS) and Cambridge (CAM). At PR19, there was limited emphasis placed on how water companies would support long-term investments and the associated bills.

However, in the regulatory framework going into PR24, Ofwat has taken this into account, and there are also now several industry targets, including Water UK's Public Interest Commitments, such as per capita consumption (PCC), leakage, 1:500 drought resilience, and water poverty metrics.

To make informed decisions for the long term, Ofwat now requires water companies to present five-year business plans within a 25-year long-term delivery strategy (LTDS). These strategies will outline long-term outcomes that a water company aims to deliver, and how they will achieve them under different scenarios.

When water companies were looking at their engagement, Ofwat's guidance made clear that customers (including future customers) should be consulted on their preferences for the "ambition" and "strategy" sections of the 5 core pillars of the development of the LTDS. For example, consulting customers on investments above any statutory requirements.

From a regulatory perspective, the SSC team has reviewed the following areas and are working closely with specialist consultants (such as PA Consulting and Atkins) to prepare its LTDS in-line with Ofwat's guidance:

1. The Core LTDS Pathway to 2050
    a. Defining the ambitions: including the projected service levels for all common PCs
    b. Core Pathway of Enhancement: required no / low regrets expenditure to achieve the ambitions set out
    c. Average bill: profile of bills based on core pathway.

2. The Adaptive Planning
    a. Scenario Testing: up to four stress tests on SSC's core pathway, with testing of any wider scenarios that ae specific, or local, to a water company
    b. Adaptive Planning Approach
    c. Alternative Pathway Enhancement: if trigger points identified from stress tests, different spending levels required to meet ambitions
    d. Associated updated average bill for each alternative pathway.

To gather insights to support decisions for the above, research was conducted to consult customers on how SSC should plan to achieve long-term goals such as adapting to climate change, reducing leakage, improving water efficiency, and delivering net-zero. The research also sought to understand how SSC should ensure that its services are affordable for all, now and in the longer term, and how they can improve their delivery of public value. Additionally, the research explored customer preferences on how SSC can innovate to increase productivity, reduce costs, and improve resilience, service, and the environment, taking advantage of technological change.

The research also aimed to "stress test" key decisions related to customer choices on whether, and when, they want SSC to spend additional money to go beyond the statutory minimum level of services that the company legally

must deliver. The strategic decisions that are likely to be relevant involve trade-offs such as affordable bills to fund core service vs delivering environmental and social value.

A key objective of the study was linked to understanding how customers and future customers wanted strategic long-term investments to be phased to deliver benefits and the preferred balance between current customers funding the investments needed versus future customers – known as intergenerational fairness.

There were several linked areas explored in the research, such as the pace of the journey to net-zero carbon and removing water quality risks from the public water supply, the speed of tackling water poverty, reducing supply interruptions, abstraction reduction, and demand management. Additionally, the research looked at how far, and when, SSC should go beyond statutory requirements for restoring the environment.

3. Key Research Objectives

The key research objectives were as follows:

1. To understand customers' attitudes and perceptions towards SSC's long-term vision and strategy to 2050:
    - Discussing the core LTDS pathway to 2050

2. To understand customers' spontaneous preferences in terms of a long-term delivery strategy:
    - Are there areas that customers want to see better or quicker improvements on and why?

3. In-depth exploration of SSC's performance and future targets in 10 key areas (referred to as ambitions throughout this report):
    - Improving water quality
    - Lead pipe removal
    - Leakage reduction
    - Drought resilience
    - Tackling water poverty
    - Water Industry National Environment Programme (WINEP)
    - Reducing supply interruptions
    - Reducing domestic and commercial water consumption
    - Offering better and smarter customer service
    - Achieving net zero carbon

4. To explore reactions towards, and test, several adaptive planning approaches to the core pathway:
    - What do customers want?
    - What are their preferences and why?

5. To understand the main reasons that drive customer preferences.

6. To explore the issue of inter-generational fairness on who and when the cost of delivering service improvements to deliver benefits is paid for.

4. Methodology

RESEARCH OUTLINE			
Research Stage	**Dates**	**Description**	**Benefits**
1. Stakeholder depth interviews	23/01/23 – 03/02/23	Feedback from key stakeholders on the proposed research approach	Expert views to challenge and inform the research programme
2. Pre-workshop homework task	13/02/23 – 20/02/23	Collecting participants' spontaneous perceptions on water ahead of workshops	Warm respondents to subject matter and provide a benchmark to assess how the informed views change perceptions in the online workshop discussion
3. Reconvened online workshops	20/02/23 – 02/03/32	Qualitative workshops covering a range of customer segments.	Education of participants and core qualitative discussion around SSC's long-term ambitions, targets and priorities.
4. Post-workshop homework tasks	03/03/23 – 10/03/23	Collecting participants' priority ranking of ambitions after both workshop 1 and workshop 2	Collection of participants' views allowing tracking of changes throughout the programme.
5. Cognitive testing depth interviews	03/04/23 – 15/04/23	Testing of the quantitative questionnaire and stimulus comprehension	Ensuring that the question set and stimulus material had the best possible balance between giving participants the required information to give a meaningful response while ensuring it was understandable for all groups
6. Quantitative survey	28/04/23 – 19/05/23	Online, and face-to-face, survey with HH customers, NHH customers and future customers	Quantification of the qualitative findings with a robust and demographically representative sample of customers and future customers

The Long-Term Delivery Strategy (LTDS) for water resources often involves a range of complex themes that require careful consideration. Turquoise, therefore, designed a core deliberative research programme consisting of

eight reconvened online workshop groups (16 workshop sessions in total) over a two-week fieldwork period. By reconvening the workshops, participants were able to engage in more in-depth discussions and become more knowledgeable about the subject matter as the workshops progressed.

Prior to the workshops, 4 stakeholder depth interviews were conducted with key stakeholders and thought leaders to gain feedback on the proposed research approach. The depth interviews were conducted over Teams during w/c 23rd and 30th January 2023. The interviews encompassed representatives of:

- SSC's Independent Challenge Group (ICG)
- The Consumer Council for Water (CCAM)
- PA Consulting, SSC's LTDS partner
- Non-Exec SSC Board Director.

A summary of the feedback from these interviews can be found in the appendix of this report. The insight was valuable to help provide confidence that the chosen methodology would deliver valuable insights and to flag consideration for the research.

In advance of the first workshop, participants were set a 'homework task' hosted on Turquoise's web community software. The aim of the task was to test customer knowledge of the topics to be discussed in the groups and garner their spontaneous views without the impact of group dynamics. Two further homework tasks were set: one between the first and second workshop and a final task following the second workshop. These homework tasks were used to capture responses from activities conducted within the workshops, warm participants up to relevant topics of discussion and gain feedback on topics not covered in the workshops due to time constraints.

The reconvened workshops were structured as follows:

Eight Workshop groups, with two sessions per workshop (16 sessions in total). One of the first sessions was conducted at a viewing facility in Cambridge, and viewed by SSC representatives; the remaining 15 sessions were all carried out online. Each session was approximately 1.5-2 hours in duration.

- During the first session, the objective was to set the scene and gain a broad understanding of customer perspectives. This involved the sharing of foundational educational information, via video and stimulus slides created by Turquoise in conjunction with SSC, required to inform participant feedback in an unbiased way throughout the project. The workshop moderator facilitated discussions around SSC's approach and strategy and explored the different options available to customers. Participants were asked to provide feedback on whether they found SSC's LTDS approach reasonable

and ambitious, and to share their initial response to the company's long-term ambitions.

- In the second session, the aim was to delve deeper into the investment priorities and trade-offs associated with different ambitions. The group discussed the average investment priority ranking of ambitions from previous groups in SS and Cambridge, as well as the average annual bill and the trilemma (Stimulus Deck appended to this report). Most of the session (one hour) was dedicated to exploring each ambition in turn, including the associated targets and trade-offs. Participants were asked to share their opinions on the ambition, the desired timeframe for its achievement, and the type of investment required.

- As mentioned above, Turquoise also designed and set participants three 'homework tasks': one prior to the first workshop session, one between the first and second workshop, and a final task after the second workshop. The findings from the pre, mid, and post-group questionnaires were integrated with the qualitative findings and are included in the appendix of this report.

The second core stage of the research was to quantify the findings from the qualitative workshops with a representative sample of the SSC customer base using a, largely online, quantitative survey.

Due to the complex nature of the topic, and the need for a certain level of customer understanding in order to give considered, meaningful feedback, it was vital that the questionnaire and stimulus material were developed carefully and with all types of customers in mind.

Turquoise, therefore, undertook a round of face-to-face cognitive testing interviews with twelve customers split equally across the South Staffs and Cambridge Water regions. Interviews were conducted with both household (10 total) and non-household (2 total) customers, with the household sample weighted towards disadvantaged groups who would likely have more difficulty with the questionnaire concepts and information provided.

The cognitive testing examined the question response process (a process split into four stages of measure: comprehension, retrieval of relevant information, judgement and response. Using this method, Turquoise was able to identify any patterns of error and interpretation by customers and to amend the question set and educational stimulus accordingly.

Following the cognitive testing, the final questionnaire was carefully developed in conjunction with SSC. **The questionnaire was structured as follows:**

- Customer demographic profile and quota information
- Perceptions of South Staffs Water and Cambridge Water
- Attitudes towards future investment plans and the trade-offs that SSC need to consider, e.g., intergenerational fairness
- Ranking of investment priorities
- In-depth exploration of five key ambitions – Water Quality, Leakage Reduction, Lead Pipe Removal, Supply Interruptions, and Water Industry National Environmental Programme (WINEP). Just five ambitions could be covered within the 15-minute survey; these five ambitions were selected largely due to customers having the most choice around these ambitions.
- SSC attitudinal segmentation and further demographic profiling information

All stimulus materials, topic guides and questionnaires are appended to the Appendix of this report.

5. Research Sample

The workshop sample was structured as can be seen below (number of attendees in brackets). The total of 52 participants were recruited from recognised research lists by Turquoise Thinking's specialist recruitment partner.

Qualitative Sample Structure.

South Staffs Water Cambridge Water

Workshop 1	Workshop 2	Workshop 3	Workshop 4
Future Customers 18-30 years AB C1 C2 D South Staffs Region **Online** Session1: Monday 20th Feb @ 6.15pm Session 2: Monday 27th Feb @ 6.15pm **(6 respondents)**	NHH Customers Mix of water dependency South Staffs Region **Online** Session1: Wednesday 22nd Feb @ 6.15 pm Session 2: Wednesday 1st March @ 6.15 pm **(5 respondents)**	HH Customers 30-50 years AB C1 C2 D South Staffs Region **Online** Session1: Wednesday 22nd Feb @ 6.15 pm Session 2: Wednesday 1st March @ 6.15 pm **(8 respondents)**	HH Vulnerable and Low-Income Family Customers DE South Staffs Region **Online** Session1: Thursday 23rd Feb @ 6.15pm Session 2: Thursday 2nd March @ 6.15pm **(8 respondents)**
Workshop 5	**Workshop 6**	**Workshop 7**	**Workshop 8**
NHH Customers Mix of water dependency Cambridge Water Region **Online** Session1: Wednesday 22nd Feb @ 8.00pm Session 2: Wednesday 1st March @ 8.00pm **(7 respondents)**	HH Customers 30-70 years AB C1 C2 D Cambridge Water Region **Viewing Facility** Session1: Monday 20th Feb @ 6.15pm Online Session 2: Monday 27th Feb @ 6.15pm **(8 respondents)**	HH Vulnerable and Low-Income Family Customers DE Cambridge Water Region **Online** Session1: Thursday 23rd Feb @ 6.15pm Session 2: Thursday 2nd March @ 6.15pm **(4 respondents)**	HH Customers 50-70 years AB C1 C2 D South Staffs Region **Online** Session1: Thursday 23rd Feb @ 8.00pm Session 2: Thursday 2nd March @ 8.00pm **(6 respondents)**

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The workshops included a mix of household customers, future customers, as well as a range of non-household customers. The non-household sessions were held with a mixture of water dependent businesses (e.g., restaurant owners) and non-water dependent businesses.

Microsoft Teams/Zoom was used to conduct each workshop, with one sessions being held at a viewing facility in Cambridge.

Overall, eight workshop groups were assembled in the water regions of South Staffs Water (SS) and Cambridge Water (CAM), covering a range of demographic groups. The workshops were designed with the following criteria in mind:

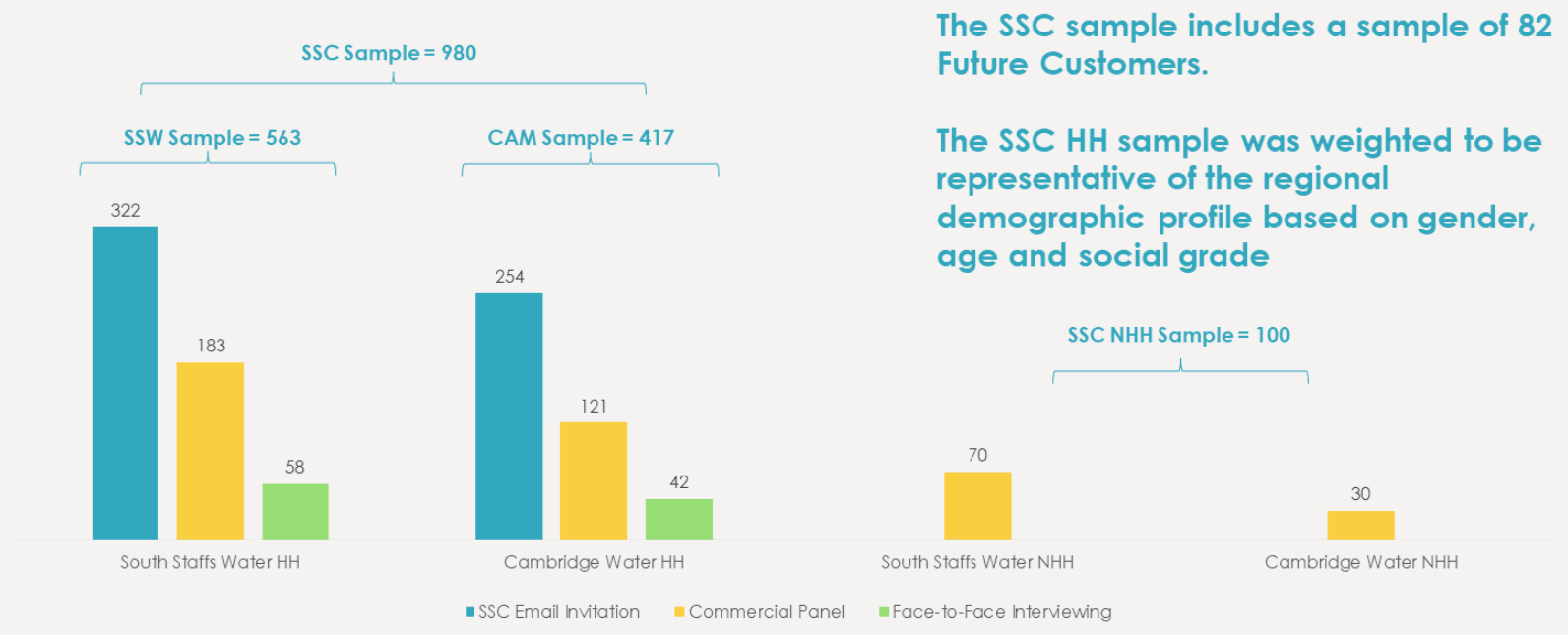
- Demographics:
    - Household customers
        - Age.
            - Pre-family 18-35 years
            - Family 30-45 years
            - Post family 45+ years
            - State Pensioner
            - Future customers (18-24 years either living at home with parent(s)/guardian(s) or renting where bill is included in rent and not paid directly).
        - Marital status.
        - Gender.
        - A broad cross-section of B, C1, C2 and D social grades across groups.
        - Vulnerability (customers in receipt of means-tested benefits, customers who find their water bills fairly or very unaffordable).
    - Non-household customers
        - Some engaged water dependent business customers with a mix of SMEs with a mix of urban and rural business locations.
        - Business customers were recruited from across a range of sectors such as agriculture, retail, service and hospitality.

Qualitative Sample	SSW	CAM	SSC Overall
HH Customers	22	12	34
NHH Customers	5	7	12
Future Customers	6	0	6
Total	33	19	52

The table above shows the total number of participants who completed both sessions and all homework tasks. Where percentages are used to describe results from the workshops in this report, they are based on these sample numbers.

The quantitative sample sources can be seen below. The commercial panel used was Cint due to their ability to reach a larger audience across the region. Note that, the face-to-face interviewing sample was captured in areas of deprivation in both supply regions, it was used to boost responses from customers who are unlikely to respond to the online survey, e.g., customers who rarely or never use the internet. All responses were captured between 25th April and 18th May 2023.

Quantitative Sample Structure



The SSC sample includes a sample of 82 Future Customers.

The SSC HH sample was weighted to be representative of the regional demographic profile based on gender, age and social grade

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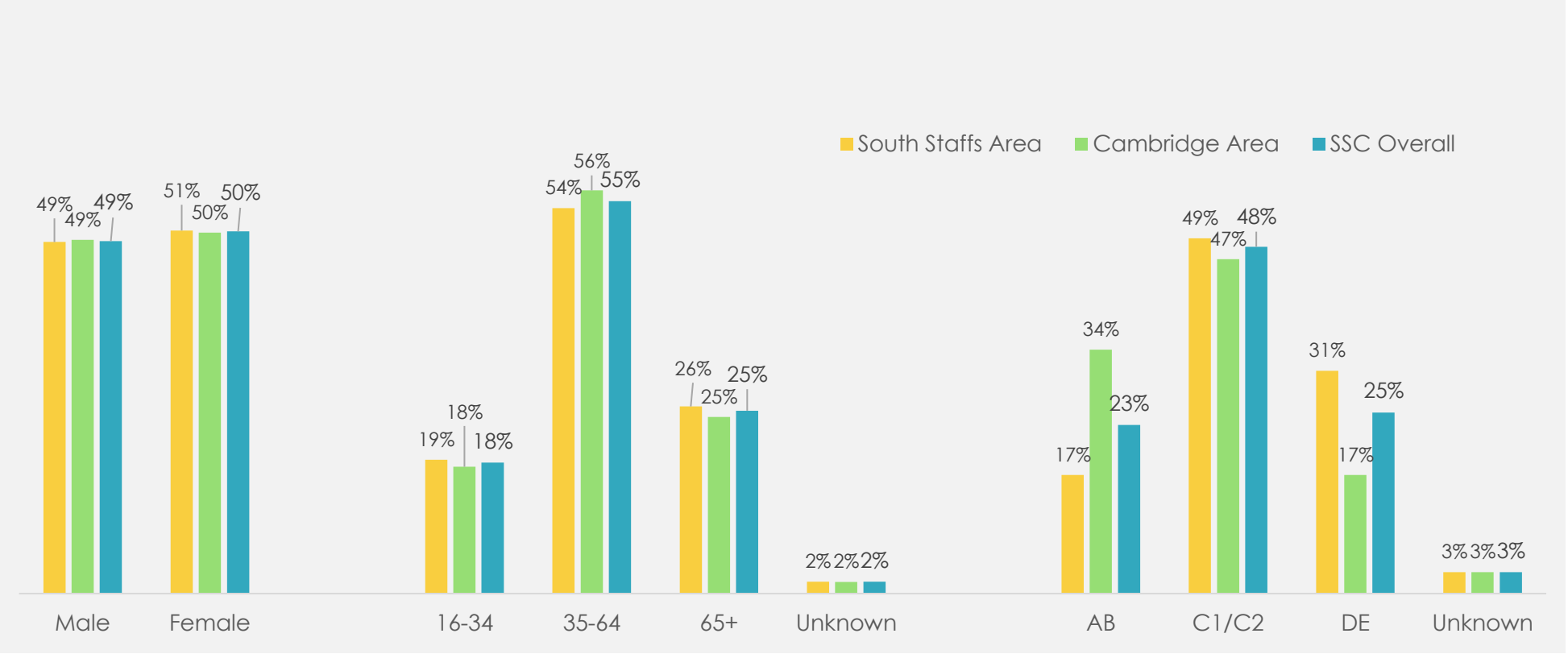
Whilst the quantitative sample for household customers from commercial panels could be made representative of the demographic profile of both supply regions, quotas were not put in place on the survey for customers invited to take part by SSC. This was to avoid the disappointment of customers being screened out and not given the opportunity to give their feedback. The household sample, therefore, was weighted to the demographic profile of both regions (based on 2021 Census data for age and sex and 2011 Census data for social grade). The weighted household sample can be seen below:



6. Executive Summary

Background:

A deliberative, qualitative approach was first adopted to explore the views, attitudes, and perceptions of household, future customers, and non-household customers towards SSC's long term delivery strategy vision, or core LTDS pathway to 2050. The findings from the qualitative stage were then quantified using an online survey, with supporting face-to-face surveys.

The objective of the research was to test the feasibility of key decisions related to customer choices on when (if at all) they want SSC to spend additional money to enhance the service beyond the legally required minimum level.

The research programme involved a first stage of eight reconvened workshops, held over a two-week fieldwork period with different customer groups and future customers. The workshops aimed to engage and understand the customers' viewpoints through a range of discussions and activities. The follow-up quantitative survey was conducted with a robust and representative sample of household customers, and smaller sub-samples of non-household and future customers.

The workshops were conducted across two areas:

- South Staffs Region (5 workshop groups)
- Cambridge Water Region (3 workshop groups)

The quantitative survey sample was:

- 633 surveys in the South Staffs Region (510 HH; 70 NHH and 53 Future Customers).
- 447 survey in the Cambridge Water Region (388 HH; 30 NHH and 29 Future Customers)

Core Findings of the Research:

Participants in both the qualitative workshops and follow-up quantitative survey were largely supportive of SSC's ambitions.

In the workshops, there were three key ambitions that participants want to see tackled as a priority: lead pipe removal, leakage reduction and improving water quality.

These findings were largely supported in the quantitative survey, with these three ambitions ranked in the top four priorities for HH customers. The other

ambition, which was viewed as a top-3 priority in the quantitative survey, was tackling water poverty.

There was also agreement across the project in terms of the two lowest priority ambitions. Participants, overall, in both the workshops and the quantitative survey ranked pro-active customer service and achieving net zero carbon as the lowest priority ambitions.

Certain participant types did have higher priorities for some ambitions than others. For example, future customers ranked Water Industry National Environmental Programme / Biodiversity higher than other customers in both the workshops and quantitative survey and achieving net zero carbon higher in the quantitative survey. Non-Household customers felt that supply Interruptions were less important because South Staffs Water and Cambridge Water were already performing well in this area in the workshops, however, these customers ranked this ambition higher than other participant types in the quantitative survey. It's likely that supply interruptions are viewed as a priority at first glance given the potentially serious impact on non-household customers, and thus ranked relatively high in the quantitative survey. However, as seen in the workshops, closer inspection of SSC's current performance - which was perceived as being relatively strong – leads to this ambition being perceived as less important.

Water quality is a priority because it is seen as a fundamental human need and the key function of water only companies like SSW and CAM. Amongst a small proportion of customers, in both the workshops and quantitative survey, there was a feeling the there was room for improvement in this area. Across both the workshops and quantitative survey, over 90% of participants support SSC's long-term ambition. Most participants wanted to see the ambition achieved sooner than the current target. In terms of the desired investment effort, participants would like to see investment made in both working with landowners/farmers/industry and an increased spending to upgrade treatment works as quickly as possible to the latest treatments.

Lead pipe removal was consistently seen as a priority in the workshops because of its potentially serious health implications. This was supported in the quantitative study, where just under two-thirds of participants who viewed lead pipe removal as the most important ambition mentioned health concerns as a reason. Removing lead pipes would also reduce the amount of chemicals added to the water to counteract the lead, which would bring about long-term cost savings in terms of spend on chemicals. All customers in the workshops supported the ambition, and over 90% of participants in the quantitative survey. There is a fairly strong preference for the costs of replacement to be spread across all customers rather than just those who still have lead supply pipes.

Leakage reduction was also viewed as important because many customers were surprised and concerned by the current amount of leakage and felt that it was a strong contributor to water shortages and perceived high prices. In the quantitative study, the three main reasons given supported this: to reduce wastage, prevent water shortages and save money. Again, over 90% of participants supported SSC's ambition. Most participants wanted to see the ambition achieved sooner than the national target.

Two other ambitions were explored in depth in both the workshops and quantitative survey due to customers having more choice regarding the ambitions: supply interruptions and WINEP.

80% of workshop participants supported the supply interruptions ambition and over 90% in the quantitative survey. In the workshops, following more discussion around the targets and the current situation regarding supply interruptions, there was a feeling that this should be less of a priority due to the perception that SSC were currently performing well. The trend was similar for WINEP with 89% of participants in the workshops supporting the ambition and over 90% in the quantitative survey.

A theme throughout the research was that participants generally wanted the ambitions achieved sooner than the SSC target. However, it must be noted that we were unable to provide context around bill impacts up to 2050 for all the ambitions. Clearly customers support SSC's ambitions overall, however, there should be some caution in terms of the apparent desire to achieve these ambitions sooner.

Conversations around who should pay for these ambitions, and the concept of intergenerational fairness, were generally consistent that it should be spread evenly across generations – perhaps with the exception of some of the more high-priority ambitions. There was further evidence for this in the quantitative survey, where there was stronger support for keeping customer bills from rising more in the short-term over investing more now for the long-term future.

Overall, and keeping the caveat above in mind, there was strong support for SSC's LTDS ambitions; however, caution should be taken in terms of the support levels for achieving the targets sooner.

7. Workshop 1

7.1 Spontaneous Views on the Future of Water

Prior to the first workshop, participants were asked to complete a 'homework task' to garner their spontaneous views on the future of water. The first exercise required participants to imagine that the year was 2050 and to write a letter to themselves in the present day and include what has changed with regards to everyday life, the environment, what housing would be like and the service provided by South Staffs Water and Cambridge Water.

Views around the future of the environment and water were largely consistent across both regions, customer types and future customers. Participants described the impacts of climate change and more extreme weather, with a focus on longer periods of drought and water scarcity. Many saw this leading to higher bills, with comparisons drawn to the current increase in energy bills.

There was also an environmental link to the future of housing as participants described how technological advances and a greater focus on the environment, and the importance of water conservation, led to innovation and an increase in water saving devices and water re-use / collection systems.

Interestingly, with regards to the future service of South Staffs Water and Cambridge Water, there was a focus on an improvement in water quality with several mentions of cleaner water due to integrated filtration systems either in homes or used by South Staffs and Cambridge Water themselves. There were also isolated comments around increased prices, re-nationalisation of the industry, and higher prices – again linked to the environment and scarcity.

The focus on improved water quality continued into the second exercise, which asked participants to list three things that they think will become increasingly important with regards to their water supply in the next five years. Alongside providing cleaner water, the other main theme was the continuity / reliability of supply with several participants mentioning the need for more water sources, including reservoirs, and the need to educate / help customers to reduce their usage to alleviate the pressure on available resources. Many participants also mentioned the price of bills – again across both regions and types – and the need to keep them affordable.

7.2 Spontaneous perceptions of SSC

Household Customers
On the whole, customers felt that the quality of the water supply was acceptable. Moreover, the water supply was considered consistent and reliable.

Compared to other utilities, water is viewed as representing good value for money. Although, a few customers argued that they could not compare prices because the water industry is a monopoly. There was some negative reputational impact evident following the SSC data breach in 2022.

Customers generally took their water supply for granted and few had contacted their water supplier. Gas and electricity bills were considered more important since they were a higher bill and there is the possibility of switching to a new supplier. Most customers were satisfied with the service they received from their water supplier, but there was a vocal minority who disagreed with hosepipe bans. They believed that the summer season was short and that there should be enough rain, which suggested that the issue may be with the lack of storage capacity.

I don't think about it so they must be doing a good job. If they weren't you would know about it.'

- ***Workshop 7, CAM HH, vulnerable and low income***

Future customers
Generally, future customers were not aware of the water provider in their region. As they do not currently pay the water bill, they were less concerned about wasting water, such as running the shower for a while before they got in. Typically, water and the challenges facing water companies were not top of mind.

Future customers agreed, however, that they took a plentiful supply of clean fresh water for granted. Upon consideration, they felt that they were privileged living in a country were there had never been any major interruptions with the supply.

Non-Household Customers
NHH customers valued having a constant supply of clean water. For business owners, this represented peace of mind. Water usage was a bigger concern for businesses that rely on water. Some of these businesses had installed water sensors to prevent wastage, while meters had a significant impact on reducing water usage.

Non-household (NHH) customers generally believed that their water supplier was responsible for providing them with clean and fresh water. However, there was low knowledge that the business water market had opened up to competition, and thus, no business representative in the research had switched to a new water services provider. Additionally, some non-household customers did not understand how their water bill was broken down and that their supplier was only responsible for clean water.

7.3 Customers' perceptions of challenges for SSC

South Staffs Water is facing a number of big challenges in the future Showcard 1

- **Increased demand for water due to:**
  - population of the region being forecast to increase by **18%** by 2045
  - property development – **125,000** new homes are expected to be built by 2045
- **Changing rainfall patterns** leading to **higher risk of flooding or longer periods of drought -** climate change means that we are forecast to have drier summers with **50%** less rainfall and wetter winters with **30%** more rainfall by 2080s. The last hose pipe ban in this region was in 1976
- Further **reducing leakage from pipes** – currently around **21%** of treated water is lost to leaks each day, which is about the same as the national average. 7 of every 10 litres that leak are lost from the company's pipes and 3 out of 10 from pipes owned by customers on their properties
- **Reducing carbon emissions** to combat the impacts of global warming and **reducing the use of non-recyclable plastic**
- **Educating, informing and helping customers** to use less water and reuse more.
- **Protecting the water environment:** taking water from rivers and underground sources for human needs could lead to a deterioration of the environment. Currently, only **14%** of rivers in England are classed by the Environment Agency as being in ecologically good condition - i.e. healthy and able to fully recover if damaged
- Ensuring services are **accessible** to all customers who need extra support and providing **financial support** and advice to customers who are struggling to pay their bills

All whilst balancing the need for affordable water bills and ensuring the long-term resilience of water services to meet these challenges

Note; Cambridge water participants saw a similar showcard, but with regionalised facts. This also applies to all stimulus materials presented in this report.

There was some awareness of the two most pressing challenges for SSC:-

- Climate change – although most do not know in detail how it will affect water companies, they understood that it is likely to cause disruption with heavy downpours, and hotter weather going forward.
- Population increases, which will put pressure on water companies, including the need for more new housing, was more understood.

Household (HH) Customers

The key challenges mentioned by HH customers, in addition to the above, were thought to be the aging infrastructure including treatment works and pipes. Old pipes resulted in leaks and problems with water pressure.

Future Customers
Some were concerned about droughts in the future and climate change. It was likely that they would have to reduce their water consumption and be more mindful of how much they used.

Future customers were also aware of climate change, population increases and the need to make the whole system more efficient using renewables and minimise their own carbon footprint and wastage.

Non-Household (NHH) Customers
Some NHH customers worried about the challenges facing the water companies and were concerned that there may be repercussions for their own businesses.

Currently, some NHH were not conscious of the amount of water they were using although the majority were on a meter. As business customers they took the cost of water into consideration as a business cost but there were worries that the output costs would increase in the future.

'We will regret our behaviour with climate change. Everything is changing. We are lucky to have the water we have'.

- ***(Workshop 1, SSW Future Customers)***

'I have no issues with the water. I take water for granted but then I'm not paying the bill.'

- ***(Workshop 1, SSW Future Customers)***

7.4 Response to SSC Company Information Stimulus Video – 'About South Staffs/Cambridge Water'

Customers were prompted with a video with the following script...

We supply clean water to 1.3 million people living in 556,000 homes and working in 35,000 business properties as a clean water supplier. This means we do not take away your wastewater on average. People in our region use a total of 1.67 million bath tubs of water every day. That's just over one and a quarter tubs each. This water comes from the River Severn BLI Field Reservoir, and 25 underground boreholes every day. Our people focus on collecting water from the environment, treating it and transporting it to customers' taps through 6,200 kilometres of pipes powered by 113 pumping stations. That's the equivalent of Birmingham to Boston. The maintaining, repairing, and renewing of all these assets, working with landowners and local communities to help restore the natural environment, providing customer service and supporting more than 48,700 customers with discounted bills and assisting more than 57,600 customers who need extra help accessing our services.

We have always been privately owned, and the amount of money that will go to shareholders between 2020 and 2025 is between two to 5% of customers' bills each year. We are facing many challenges. Only 14% of rivers in England are in a healthy condition and able to fully recover if damaged. We need to restore the environment. The population we serve is likely to grow by 18% by 2045. And changing rainfall patterns means our region is now classed as high risk. This means that there will not be enough water to meet human demand. We need to make better use of the water we have and find new sources. Our carbon emissions need to be reduced as fast as possible to combat the impacts of global warming. And we need to remove non-recyclable plastic from our operations. Our customers are demanding ever higher levels of customer service, and we need to find new and better ways to help those who need extra support to access their water services.

Overall, the film was enlightening, revealing facts that most customers do not consider on a daily basis. As a result, many customers felt that they had taken water for granted up until that point.

'It makes you think, as a kid we had all the season, with plenty of rainfall in the spring but now the seasons are changing and the population is increasing so we should be able to store water. I hate seeing leaking pipes with water rushing down the street when we get a hosepipe ban.'

- ***(Workshop 1, SSW HH, aged 50-70)***

'That video explains the hidden costs behind the bill. It opens my eyes to it. '

- ***(Workshop 1, SS HH, aged 50-70)***

Household customers
The video was useful in helping customers understand how SSC spends its money and the extent of its responsibilities. The video also highlighted where the water is sourced from and SSC's efforts to reduce plastic use.

Customers were aware of the wastage of clean water, both from leaks and in the way they used water at home, such as running the tap for a while to wait for hot water.

Some customers were concerned about the state of rivers and were surprised that there was a water shortage despite living in a cool climate and where the perception is that there is plenty of rain. This led to the conclusion that water conservation measures needed to be taken at both individual and national levels.

Customers acknowledged the challenges that changing rainfall patterns and hotter weather posed for water companies. However, they felt that water companies should prioritise addressing leaks and increasing water storage during wetter months to prepare for drier seasons.

Future customers
Many were surprised about how much piping was involved in providing water. The average amount of water people use each day at home was also a surprise.

NHH customers
The film provided unexpected information to some customers. For instance, some were unaware that SSC used boreholes instead of just reservoirs. The statistics presented in the film, such as 1.67 million bathtubs of water used every day, were deemed substantial and larger than expected. The video also highlighted potential future water shortages due to population increases, which raised concerns among viewers.

7.5 Response to Further Challenges

Participants were shown a video with the following script...

SS Water is facing a number of big challenges in the future. So the increased demand for water due to population of the region in predicted to be increased by 18%. Obviously, property development, lots of new homes will be expected. Changing rainfall patterns lead to higher risk of flooding or longer periods of drought. You can see there about climate change means we're going to have dry summers, less rainfall, wetter winters. But the last hosepipe ban in this region was in 1976. There's going to be further reducing of leakage from pipes. Currently around 21% of treated waters lost to leaks

each day, which is about the same as the national average. Seven of every 10 litres that leak are lost from the company's pipes and three out of 10 pipes from pipes owned by customers on their properties.

Another challenge is obviously reducing carbon emissions to combat the impacts of global warming and reducing the use of non-recyclable plastic. Obviously, another challenge is educating, informing and helping customers to use less water and reuse more. So getting customers to help with that. The challenge is there's obviously the need to protect the water environment, obviously ensuring that anything that's taken from the environment doesn't lead to any sort of deterioration. Only 14% of rivers in England are seen as being in an ecologically good condition. And obviously another important challenge is ensuring that all services are accessible to all customers who need extra support and providing financial support and advice to customers who are struggling to pay their bills. And that's all whilst balancing the need for affordable water bills and ensuring the long-term resilience of water services to meet these challenges.

'It's an eye opener. I hadn't thought about the many challenges to be fair .'
- ***Workshop 2, SSW NHH customer***

Household Customers
Customers found the video thought-provoking as it shed light on the water-related problems the UK faces. They anticipate changes in their water consumption habits as a result. Previously, customers had taken water for granted and used it liberally for activities like washing their cars and watering their gardens. However, in the future, some admitted that they will have to be more mindful of their water usage. Some suggested using more "grey" water from showers and baths to flush toilets. Customers were aware of increased flooding and believed that this water should be stored. Most were supportive of reducing carbon emissions.

Future Customers
Some of this group of customers expressed concern that water restrictions could negatively affect businesses. They feared that this could lead to increased costs for future customers when it comes time to pay their water bills. Additionally, some felt that there was not enough awareness or understanding amongst of the challenges facing water companies.

Non-Household Customers
The leakage figures were shocking to many customers, as they learned that 21% (SSW) / 16% (Cambridge) of treated water is lost to leaks daily. Some customers believed that education was necessary to encourage water

conservation, but acknowledged that this would be a challenging task. Others saw a correlation between the leakage problem and the issue of flooding, suggesting that storing water could be a potential solution.

7.6 Response to Information Video 2 – 'Looking to the Future'

Participants were shown a second video, with the following script...

Water is a long-term business, so we are always planning for the long-term and considering how future risks might affect our ability to supply our customers, this could be lower levels of rainfall than forecast and more extreme periods of drought. Our next business plan for 2025 to 2030 is set within this long-term context, making sure we can always deliver the right investment in the right way at the right time, and that we can adapt quickly to changing circumstances. Our vision to 2050 covers many important areas, including making sure we keep our water bills affordable for all. For example, we can use data in a smart way to quickly reach customers who may be struggling to pay their bills and contact them to offer support tackling the cause of climate change by reducing our carbon emissions. One way we can do this would be to use renewable energy sources and switch to a fully electric vehicle fleet.

There is also the need to keep investing in our treatment works, pipes and pumping stations to ensure they will keep working effectively during extreme weather events, meeting the needs of our growing population by expanding existing reservoirs or building nuance to store more water in the winter, making the most of our existing water sources further reducing leakage and giving customers smarter water metres to help them better control their water use, restoring the water environment to leave it in a better state than we found it by working with farmers and landowners to improve water quality and to encourage more biodiversity by increasing the number of plants, trees, and wildlife.

Household Customers

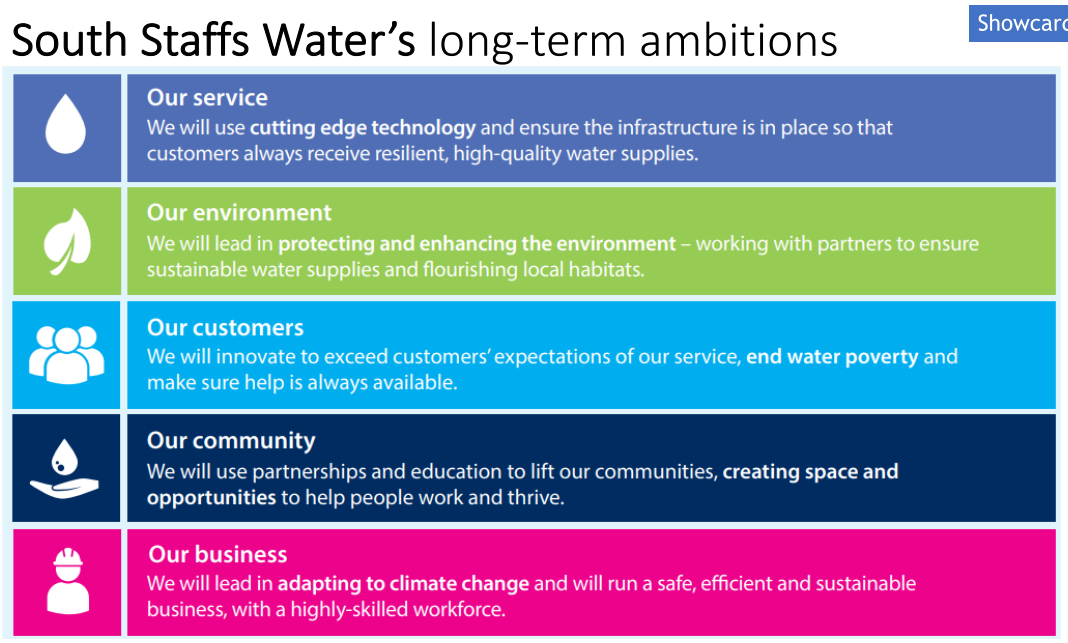
Most, if not all, customers learned new information from the second video. There were concerns highlighted about the possibility of water restrictions, however they were reassured by SSC's efforts to make bills more affordable for all. Many were not aware that water companies offered assistance to those who struggle to pay their bills. Leakage reduction was another key issue discussed in the video, with many customers feeling that it should be a priority. There were some mixed opinions raised about electric vehicles, with some customers worried about the environmental impact of the batteries.

Future Customers
The use of electric vehicles to lower carbon emissions received widespread support, but there were concerns that the carbon footprint associated with building new reservoirs would negate this progress. Customers also recognised that bills would likely increase to cover these costs. Leakage reduction was also a key issue for future customers, with many feeling that it should be a priority.

Non-Household Customers
Water-dependent businesses had a different perspective, with a greater awareness of water quality issues such as water hardness, which could impact equipment maintenance. They were also more conscious of their water usage due to the need to keep costs down.

7.7 Response to SSC LTDS – long term ambitions

Showcard 2



Participants were made aware of SSC's long-term ambitions via the above stimulus slide. Both HH and NHH customers, and future customers, agreed with the ambitions in principle, however, there was some scepticism and a desire to see the ambitions laid out in more detail.

A minority of Household and Non-Household customers felt that SSC could potentially be seen as 'green washing'.

Future customers felt that SSC could be more ambitious. However, there was widespread positive response to the environmental initiatives. Most felt that being ranked 4th out of 17 water companies for customer service was impressive.

7.8 Response to ambitions and strategy to deliver

Improving Water Quality

Participants were then shown a series of showcards to provide them with contextual information about each of the ambition areas being tested in the study.

The showcards shown in this report are the SSW versions, there was also regionalised versions for the Cambridge Water sessions.

Service Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
A: Improving Water Quality	• Occasionally customers will experience a change in taste, smell and/or appearance of their drinking water. • There is the growing threat of contaminants reaching water sources, so chemicals are needed to make the supply safe to drink	• In 2022/23 so far, there were 1.6 customer contacts per 10,000 properties relating to taste and odour. • The figure was 2.0 in 2020/21. • Ranked 4th best of the 17 water companies. • In 2021/22, it used **12,500 tonnes** of safe chemicals to treat the water supply	Provide an even more reliable high-quality water supply. • Reduce the number of customers raising an issue about their drinking water – e.g. improving current performance for taste and odour from 1.6 customer contacts per 10,000 properties contacting) to **0.75**. • Treatment works that require no/very minimal chemicals to be added to treat the water.	• In 2025 a major upgrade of its two largest treatment works and a pipe cleaning programme will finish. • Investing in improving the processes at its other treatment works and keep investing in the latest treatment solutions. • Expand the programmes with land owners and increase the use of environmental approaches that naturally improve water quality – e.g. reed beds.

Household and Non-Household Customers

Water quality was important to all customers. Customers want SSC to supply them with constant, fresh, high-quality water. The majority felt that they already had a reliable high quality water supply; however there was discussion relating to the subjectiveness of the taste of water. Customers wanted reassurance that the necessary scientific checks to the water were taking place. Some customers were concerned about the amount of chemicals used in water treatment. The term "chemical" made some people think that harmful or toxic substances were being added to the water.

The customers responded positively to the improvement in water quality as indicated by the decrease in complaints from 2.0 to 1.6 customer contacts per 10,000 properties in 2020-2021 and 2022-2023, respectively.

SSC's ranking of 4th out of 17 was seen as more than satisfactory, and customers believed that SSC was making progress.

Most customers believed that transitioning to a treatment method that requires fewer or no chemicals was welcome. However, they thought that it might be challenging to eliminate chemicals entirely. A minority of customers believed that spending large sums of money on new technologies was unnecessary, given that the water is currently safe to drink and of high quality, however, there was a lack of knowledge as to the potential harm caused by chemicals in the water.

It was challenging for customers to decide whether to invest in new technologies now or wait for new, more cost-effective ones to emerge. Some customers required more knowledge and information before making a decision.

Most supported the goal of using minimal chemicals in treatment works, but some believed that reducing the number of customer complaints further might not be necessary.

Customers approved of SSC's collaboration with landowners and farmers to improve water quality.

Future Customers

The target to eliminate the use of chemicals in water treatment was viewed positively amongst this group. A few expressed concerns about the potential disruptions that upgrading would cause.

Many of this group were surprised that SSC aimed to achieve this goal in a relatively short period of time.

Future customers generally favoured SSC investing money now to reach their goal, believing it would be better for the future and carry a lower risk than not investing.

7.9 Removal of lead pipes

Service Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
B: Removing Lead Pipes	• In 1969, lead was banned as a material for water pipes. • Most of the lead supply pipes fitted are owned by customers. • The company treats the water supply to ensure lead levels are safe. Over time, any lead exposure can be damaging to health.	• Around in 1 in 4 (25%) properties in the region have a lead supply pipe. • It has replaced on average **1,000** lead pipes a year, over the last 3 years. • Properties such as schools and care homes are prioritised.	• Remove all lead pipes from pipes by 2050, which removes the need for the chemicals needed to make the water safe. • Allows other work such as installing water meters and improving low pressure problems to be done at the same time.	• More investment to replace lead pipes at a faster rate. • Continue to target highest risk properties first in the most cost-effective way. • Exploring ways to reduce disruption to customers when replacing lead pipes – e.g. trenchless repairs.

A few customers were surprised to learn that lead pipes were still in existence, as they thought that water pipes were made of plastic. They were concerned about the health risks associated and the process of treatment with chemicals to ensure the water is safe from lead needed reiterating.

Although customers wanted lead pipes removed as quickly as possible, they recognised the disruption this would cause and the potential cost of the works. The connection was drawn between removing lead pipes and reducing the amount of chemicals used in water treatment. Most customers preferred a target closer to 2035 rather than 2050, but were hesitant to pay a significant amount more for the removal. Given the current cost of living crisis, 2050 was seen as a more realistic target with a better spread of costs and a fairer spread between generations.

Customers debated who should pay for the removal of lead pipes. There was a split between whether homeowners should pay for lead pipes on their property, or the costs should be spread across all customers. Most felt that if the cost of removing lead pipes from the network and supply pipes was spread across the entire region, it would be fairer.

Customers fully supported prioritising the replacement of lead pipes for customers at highest risk first, such as care homes, hospitals, and schools.

Future customers were surprised that lead pipes were still in existence and like other customers, felt it should have been sorted out a long time ago. However, the target was seen to be realistic. In terms of who should pay, it was felt that

if the cost was spread over all the customers, it was more likely to get done. They agreed that it was logical to prioritise those in care homes, and schools.

'I think 2050 is realistic. It gives people more time and time for the economy to sort itself out'.

- ***Workshop 2, SSW NHH Customer***

7.10 Water supply interruptions

Service Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver

C: Water Supply Interruptions	• Most customers will experience NO interruption to their water supply in a typical year.
	• When temporary interruptions occur, the company counts the number of properties that are affected and the length of time they were without water to give an average figure.
		• The average time customers are without water on average is gradually improving:
		  • 2020/21: 00:04:33 (over 4.5 minutes)
		  • 2021/22: 00:03:15
		  • 2022/23 YTD: 00:02:44
		• The company is ranked 4th best of the 17 companies.
			• To ensure the tap runs even during a major burst.
			• To reduce the average time a customer property is without a water supply from 2:44mins, **to under 1 minute by 2050**.
				• Increase the pipe replacement programme and look for new technology to reduce roadworks.
				• Increased investment into pumping and booster stations maintenance.
				• Add new pipe network links, so that if one bursts there is more alternatives to get the water to customers.
				• Install a full smart network that identifies bursts before they happen so they can be fixed.

Many customers were satisfied with SSC's performance, as the company was ranked 4th out of 17 companies. Additionally, the amount of time customers were without water was decreasing, which was seen as a positive development.

Upon closer inspection, some customers found that the target of reducing the average time a customer property is without a water supply from two minutes 44 seconds to under one minute by 2050 was not ambitious enough, given the relatively good progress over the past three years. Most customers believed that SSC could reach the target much sooner, and there was widespread recognition that the strategy to achieve this goal was appropriate. Customers also welcomed the use of new technology to identify potential water supply disruptions before they occur.

Some future customers opposed the idea of SSC spending money in this particular area and suggested that SSC should focus on improving water quality and removing lead pipes instead. Given SSC's impressive track record

over the past few years, which showed a rapid reduction in time, the target of reducing the average time a customer property is without water was not deemed ambitious enough. They urged SSC to set a more ambitious target as they were confident that SSC would reach it much earlier than 2050.

'I'm looking at the trajectory of the last few years, looking at the way that is has come down, it does seem very doable.'

- ***Workshop 2, SSW NHH Customer***

'It's definitely achievable looking at those figures'.

- ***Workshop 7, CAM HH, Vulnerable and low income***

'For my business personally, I run a tattoo studio, the water quality would've been the most important.'

- ***Workshop 2, SSW NHH Customer***

'I run a takeaway so it comes down to the least disruption to my business.'

- ***Workshop 2, SSW NHH Customer***

7.11 Environment and leakage reduction

Environment Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
D: Leakage Reduction	• Over time, pipes can fail and leak e.g. because its very cold/hot weather. • Around **30%** of leakage occurs on the pipes owned by customers. • It becomes more difficult and expensive to reduce leakage once the easy fixes are made. Also causes traffic disruption.	• Each day the equivalent of **26 Olympic size swimming pools** of water is lost - that's around **20%** of the water put into supply and the same as the national average. • Leakage levels are down by **5.8%** on average over the last 3 years from the 2019/20 figure.	• Deliver the water industry target **of reducing leakage by 50%** from the 2017/18 figure. This would save around **18** million litres of water per day in the year 2050 and reduce costs. • Targets at regular intervals up to 2050 to be set.	• Initiatives like fitting more smart sensors to identify and fix pipes before they leak. • Investing in innovations in new pipe materials less prone to leaking. • Increasing the rate of renewing older pipes.

Customers were generally dissatisfied with the leakage rate and felt that the targets were not ambitious enough, although there has been an improvement in recent years. Many customers wanted SSC to reduce the leakage rate at a faster pace. They questioned why it had taken so long to address the issue, particularly given the challenges of climate change and increasing population. Customers expected SSC to perform better than the national average, given their position in relation to other water companies for other measures. Additionally, the fact that 70% of leaks were on the water company's pipes was seen as a high number. Nevertheless, customers were supportive of the strategy to deliver improvements in this area. Some household customers felt that large businesses were perhaps more to blame and that these organisation needed to do more.

'I want them to reduce leakage sooner rather than later.'
- Workshop 2, SSW NHH Customer

7.12 Drought resilience

Environment Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
E: Drought Resilience – making sure we don't run out of water for essential use	• Droughts are an extended period with very low rainfall, leading to low water levels in rivers and groundwater in aquifers. • Companies must have plans in place to ensure that the chance of needing to bring in an 'emergency drought order' is **1 in 200**, (or a 0.5% chance of this happening in any year). This means standpipes in the street (and vulnerable customers receiving bottled water drops) and/or rota cuts.	Last time the following occurred in this region: • Emergency drought measures **1976.** • Hose pipe ban to restrict non-essential water use **1976.**	• Make the water supply more resilient to any droughts. • Reduce the chance of needing to bring in an 'emergency drought order' restrictions from **1 in 200 (or 0.5%),** in any given year, down to **1 in 500 (or 0.2%) chance by 2040.** • This is a target they have to meet.	• Reduce leakage and better help people and businesses reduce their water consumption - and find new sources of water.

Most customers felt the mandatory targets for drought resilience were acceptable.

This was important to customers. The ambition seemed acceptable to most although a minority wanted the target brought forward. This option related to leaks as some thought that the leaks were a key contributor to prevent water restrictions in periods of droughts.

Many customers felt that there was much more that could be done in re-utilising 'grey water', such as harvesting rainwater to water gardens and flush the toilet.

'My brother lives in New Zealand and they have built in storage units under their house, that is clean and monitored.'

- ***Workshop 3, SSW HH, aged 30-50***

7.13 Water Industry national environment programme biodiversity

Environment Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
F: Water Industry National Environmental Programme / Biodiversity – leaving the environment in a better state than it is now	• The company has legal duties and targets to meet, aimed at protecting and restoring the environment. • They work with landowners and other groups to protect an amount of land - to improve river flows and help local wildlife and plants to flourish.	• The company is currently meeting its legal requirements. • The company is currently actively protecting **516** hectares of land, and is ahead of its target.	• Ensure more water environments have healthy level of water flowing in them, which can better support animals and wildlife. • To achieve this, it needs to reduce the water it takes from the environment by **48 million litres per day by 2050.**	• Go further and adopt a **greater protection** for many of the water environments that are under greatest threat, such as rivers and wetlands on sites of special scientific interest. • Reduce customer demand for water and drive down leakage.

Customers expressed satisfaction that SSC is meeting its targets. However, most customers did not feel qualified enough to evaluate whether the legal targets were adequate or not. Moreover, it was challenging for customers to determine whether SSC should reach the target more swiftly since they lacked information on cost-effectiveness. The figures quoted, such as 48 million litres per day by 2050, were considerable. Customers believed that the utilisation of smart water meters would aid in achieving this target.

'We need support from SS with water butts and shower heads. SS handed out something for the taps and a kit to reduce water, but we've had nothing for the past 10 years.'

- ***Workshop 3, SSW HH, aged 30-50***

"It's good to hear that the water companies are helping the environment. That they are making a difference. It shows that they are pro-active at protecting living things".

- *Workshop 3, SSW HH, aged 30-50*

7.14 How much water used at home and work

Environment Options……

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
G: How much water we use at home and at work	• Monitoring changes in water usage is vital when planning to meet future demand. • The company reports the average amount of water each person uses every day (in Litres) in their homes. • **45%** of households in the region have a water meter fitted and the vast majority of businesses are metered.	In 2021/22 the average person in this region used **148** litres per person per day. That is about **15** buckets of water. The company is behind its target **(125)** set in 2020, due to the impacts of the COVID pandemic on water use in homes.	• To meet two targets in the Environment Act to protect the water environment. • **For households**: reduce the amount each person uses at home by **26%**, that's from **148** litres per day in 2021/22 down to **110 litres per day by 2050. –** i.e. 4 less than the 15 used currently each day. • Reduce **business** water use by **9% by 2037**.	• Introducing universal smart metering, water product labelling and subsidised water efficiency devices (e.g. water butts, shower heads) for households. • Working with developers to build more water efficient homes and promote initiatives to allow retro-fitting of water recycling systems in existing properties. • Business customers - smart meter technology, water audits and support to install rain/greywater harvesting systems.

In general, customers believed that reducing their water usage from 148 to 110 litres would be difficult. An education campaign was needed to encourage households to use water more carefully and take showers instead of baths. However, there was pushback from household customers about contributing to funding investment plans to help business customers reduce their water usage. Some household customers felt that businesses should contribute since they were generating profit. Nevertheless, customers supported efforts to encourage people to use less water.

Non-household customers felt that targeting businesses in the same way would be difficult since they had different usage requirements.

Future customers agreed that customers should be encouraged to use less water but were concerned that SSC was behind the target. Interestingly, future customers felt that they were less mindful of water when they were at work, i.e., they thought nothing of leaving the tap running in the office. They suggested using smart meters and water audits to make customers think twice about their usage. However, they did not want to limit their usage to the extent that it would impact their quality of life.

Overall, customers believed that both households and businesses needed to tackle the issue of water reduction.

'I think people are quite sensible. And if they are educated at what they should do and how they could improve I think a lot of people would join in doing that.'

- ***Workshop 2, SSW NHH Customer***

'It's crazy that 26 swimming pools are lost every day (to leaks). That is a lot of wastage and needs to be reduced.'

- ***Workshop 1, SSW Future Customer***

7.15 Eliminating water poverty

Community Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
H: Eliminating Water Poverty – making bills affordable for all	• The company offers discounted bills for households with an income of less than **£19,100** through its Assure discount tariff. • They also offer schemes like payment breaks and plans, and assist vulnerable customers struggling to pay off their water bill debts. • The water industry has a pledge to make water bills affordable for all households **in "water poverty" by 2030**. • There is no discounted bill support for business customers at this time.	• Supports **49,000** low income households through its Assure scheme • In 2019/20, a study found around **7%** of households were classed as being in "water poverty" – across the South Staffs and Cambridge Water areas this means around **27,000** households.	• **By 2030**, to make sure water bills are affordable for households where the water and sewerage bill is no more than **3%** of its disposable income (the industry target is currently 5%). **That means at least around 90,000 households.** • To make sure water bills remain affordable for all up to 2050 and beyond.	• Ensure all customers are on the right tariff – a discounted bill or debt payment plan. • Exploring new tariffs linked to water use to help reduce their bills – e.g. making water cheaper at certain times of the day/night or charging more per litre for higher usage (meters needed). • Expand local community partnerships to reach and then help who most need support.

Among household customers, the discount tariff and schemes aimed at eliminating water poverty had low awareness among customers. Nonetheless, customers agreed that it made sense to make bills more affordable. It was suggested that the use of smart meters could help customers achieve this goal. Regarding the target to reduce water bills to account for only 3% of household disposable income, some customers felt that it was too ambitious, especially when the industry standard was 5%. Additionally, customers were curious as to why using water at night could be cheaper.

Non household customers did not generally agree with more support for vulnerable customers. Typically, business customers were more concerned about their own bills, particularly gas and electricity bills.

Among future customers, SSC's commitment to acknowledging that not everyone is in the same position was well-regarded. The discount scheme for those on lower incomes was seen as a positive way of giving back to the community, especially since it would benefit around 27,000 people. However, it was suggested that the cost of this scheme should be spread more across the entire region so that wealthier customers could subsidise those in water poverty.

7.16 Pro-active customer service

Community Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
I: Pro-active customer service to make life easier for customers	This means the water company focusing on two areas: • Using the latest technology so that customers can communicate with the company the way they want. • Using predictive data so that they can deal with issues before customers are affected.	• So far in 2022/23, Ofwat's independent survey, showed the company is currently rated the 5th best out of 17. It was 4th in 2021/22. • Just upgraded to a new billing system to allow a better service in the future. • It has already started fitting thousands of smart sensors to its network to better monitor its health – e.g. spotting failures to pipes before they happen.	• To be the best company in the water sector for customer service **by 2030** and the best in the utilities sector (energy, broadband, etc) **by 2050.** • Using latest technology to make sure issues are either located and fixed before they impact on customers, or they are sorted first time.	• Invest in better online services to make these easier to use. • Use technology to tailor the information provided to customers about their water use and services so they have more control. • Upskill its workforce, including apprentices, to make better use of smart data to provide a better service.

The majority were satisfied with the current level of customer service. However, they recognised that in order to maintain high standards of customer service, SSC needs to continue to innovate. Some customers felt that it was not necessary to be a leader or early adopter of new technology as it can be expensive at first, but the cost often decreases as it becomes more widespread. Therefore, it may not always be wise to be the first to embrace new technology. Additionally, some customers were curious about why SSC had dropped from 4th to 5th place in customer service rankings.

7.17 Net zero

Community Options.....

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
J: Net Zero Carbon	"Net zero" means achieving a balance between the carbon put into the atmosphere and the amount taken out. There are two parts to reducing emissions… • **"Operational" carbon** - e.g. switching to fully renewable energy to pump water to customers' homes. • **"Embodied carbon"** - requires the company's supply chain to also be working towards net-zero – e.g. the company supplying solar panels manufacturing and transporting them so it does not add carbon to the atmosphere.	• In 2019, South Staffs and Cambridge Water's combined operations released **48,658** tonnes of carbon • By 2021, this fell to **22,406** tonnes. • Achieved through initiatives like going further to reduce leakage and starting to switch to electric vehicles. It also switched to a renewables energy supply.	Help the UK achieve its national target of net zero by 2050: • Zero carbon emissions from operations **by 2030.** • Zero green house gas emissions across all operations, including embodied carbon **by 2050.**	• Look at all options available to reduce the carbon emissions from operations – e.g. renewable energy options, including wind and solar power, and biofuel gas on a large scale to power all the business' operations. • Collaborate with suppliers to remove all carbon emissions from the supply chain.

The initiative to reach net zero carbon emissions by 2030 received widespread support from customers who recognised the target as ambitious, but necessary in light of the climate crisis. However, there was uncertainty whether SSC was on track to meet this goal. Customers agreed that SSC should prioritise reducing operational carbon by 2030 before addressing embodied carbon.

Some customers felt that it was easier to start with the biggest reductions first, such as reducing carbon emissions from 48,658 to 22,406 tonnes, before tackling the rest. It was likened to a diet where the first stones are much easier to lose.

Future customers were impressed with the progress made in the past two years, but some were sceptical about achieving the ambitious target. The approach of addressing operational carbon before embodied carbon was seen as a sensible strategy.

7.18 Inter-generational fairness

At the end of the first session, the prevailing view was that it seemed unjust to pass on the costs to future generations. Instead, participants believed that the costs should be spread over time, even amid the current cost-of-living crisis.

Generally, customers agreed that it was appropriate to pay more now to reach the targets sooner. However, some customers were hesitant and asked for clarification on how long the increased payments would last and how they would know when the targets had been achieved.

7.19 Post-Workshop 1 Survey

In addition to capturing participants' ranking of SSC's ambitions in order of importance (results in the following section), questions were also set asking participants whether they thought anything was missing from the investment priorities / ambitions, what they think of some of the trade-offs SSC have to make with regard to their future investment, and what they thought of the first session.

The majority of participants (84%) couldn't think of anything that was missing from the list of ambitions. The only theme mentioned by more than a single participant was around water recycling, the collection of rainwater, and grey water systems.

'I still think they need to invest in water collection of rainwater in business and residents' area and use it for different, we say, toilet supplies, as the I know we have less rainwater in the summer but this would can be use a local basic instead of it just disappearing down the drain into are rivers then just sent into the sea which it then comes totally undrinkable.'

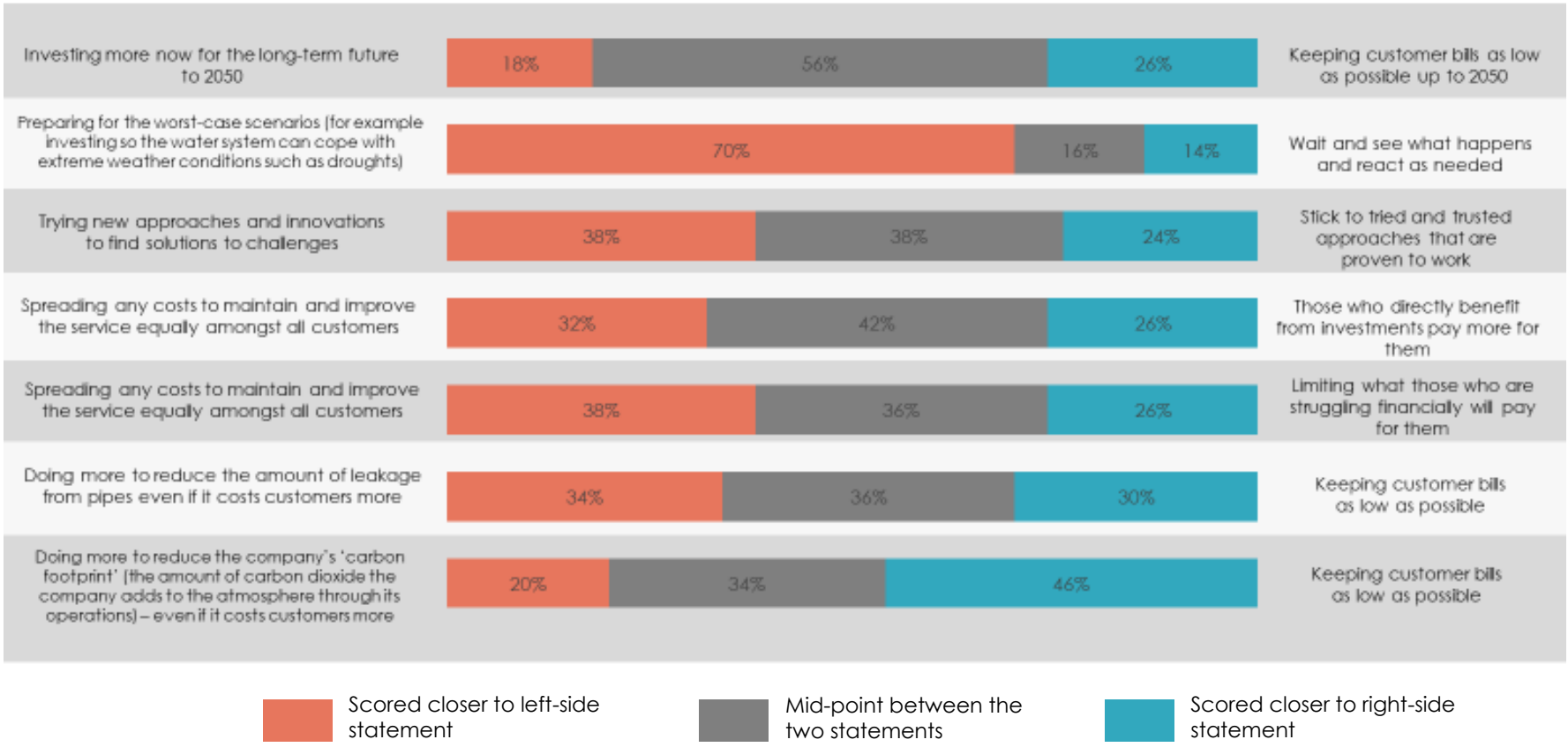
- ***Workshop 8, SSW HH Customer***

'Installing water retainers (water butts) and diversion outlets from grey water usage, to water the garden permanently.'

- ***Workshop 6, CAM HH Customer***

Participants were next asked for their attitudes around the trade-offs SSC have to make regarding their long-term planning. The results were in-line with what was later found in the quantitative survey the strongest level of support for 'preparing for worst-case scenarios' over 'wait and see what happens and react as needed'.

Attitudes Towards Plan Trade-Offs (Overall Workshop Sample).



There was also a preference for keeping bills low, where this statement was used. The only trade-off where keeping bills low was seen as less important was against 'doing more to reduce the amount of leakage.'; again, inline with the quant survey.

Finally in the post-workshop 1 survey, participants were asked how they found the first session. The majority of participants enjoyed the session (90%), felt they were given a fair chance to have their say (88%), believed the session was well-organised and well-structured (88%) and understood the materials and information presented (90%).

8. Workshop 2 – Customer Ambition Rankings

As part of the 'homework task' (the task questionnaire can be found in the appendix) set for participants to complete between Session 1 and Session 2 of the workshops, participants were asked to rank the ten ambitions in order of importance to them. The results of which were to be used to promote discussion in the second workshop. Results from both regions can be seen below.

8.1 Ambition ranking for SS water customers.

Ambition ranking for South Staffs Water customers.

Showcard 1

Ambition	Average Investment Priority Ranking
A: Water Quality	2.16
B: Lead Pipe Removal	3.20
D: Leakage Reduction	3.20
E: Drought Resilience	5.24
C: Supply Interruptions	5.92
H: Water Poverty	6.00
F: Water Industry National Environmental Programme / Biodiversity	6.96
G: Amount of water businesses and households use every day	7.20
J: Net Zero Carbon	7.28
I: Pro-active customer service	7.84

Please note, the closer the ranking is to 1, the more important it is to customers across the region. So, for customers in South Staffs, Water Quality is the most important ambition, then Lead Pipes and so on.

2

Ambition ranking for Cambridge Water customers.

Showcard 1

Metric	Average Investment Priority Ranking
A: Water Quality	1.87
B: Lead Pipe Removal	2.93
D: Leakage Reduction	3.67
E: Drought Resilience	4.53
F: Water Industry National Environmental Programme / Biodiversity	6.13
C: Supply Interruptions	6.33
H: Water Poverty	6.73
G: Amount of water businesses and households use every day	7.00
I: Pro-active customer service	7.40
J: Net Zero Carbon	8.40

Please note, the closer the ranking is to 1, the more important it is to customers across the region. So, for customers in the Cambridge Water area, Water Quality is the most important ambition, then Lead Pipes and so on.

2

During the introduction to the second workshop, many participants described how they found the first session enlightening as they were unaware and hadn't considered the numerous processes involved in providing water. They realised that they had taken water for granted, and some claimed they had already started changing their behaviour, such as being more mindful of their water usage and avoiding leaving the tap running unnecessarily.

Following this, customers were then presented with the results of the overall ranking of different issues related to the water supply service in their region (South Staffs Water region or Cambridge Water region). Most customers found it fair and reasonable. They believed that water quality should be the top priority as it is a fundamental requirement for everyone. It was emphasised that SSC should not forget that their main objective is to supply clean water. There was a concern that focusing too much on other issues might compromise the water quality.

Customers considered lead pipe removal and leakage reduction to be equally important, and they believed these issues are interconnected. They felt that removing lead pipes would lead to a better infrastructure, resulting in fewer leaks. Customers identified leak reduction as a top priority because they believe that SSC is losing an excessive amount of water, and this issue will be exacerbated by population growth.

Removing lead pipes was also considered essential due to the poisonous nature of lead and its impact on health. Customers felt that eliminating lead pipes would have additional benefits, including improving water quality and reducing the need for chemical treatment to make the water safe. This was a

key priority for customers due to its direct impact on their health. Reducing leaks was another top priority for customers.

For non-household customers, such as restaurants, takeaways, and hairdressers, water quality and having a consistent supply are typically the most important factors. They also prioritise minimising disruption to their business. However, these priorities are interconnected with reducing leaks and removing lead pipes, as these actions lead to better water quality.

8.2 Ambition Priority for Investment Ranking for SSC, post session workshops and education

= higher importance than average

Higher import

Lower import

Ambition	Average Investment Priority Ranking							
	Overall (all customers)	South Staffs	Cambridge	Future Customers	30-70 years	Low income and vulnerable	Household (30-70 + vulnerable)	Non Household
A: Water Quality	2.1	2.2	1.8	2.0	2.3	2.0	2.2	1.8
D: Leakage Reduction	3.0	2.7	3.5	2.2	2.7	4.1	3.2	2.9
B: Lead Pipe Removal	3.4	3.5	3.1	2.6	3.6	4.3	3.8	2.4
E: Drought Resilience	5.0	5.2	4.6	5.0	4.8	4.7	4.8	5.6
H: Water Poverty	5.9	5.5	6.5	6.8	6.0	5.2	5.7	5.9
C: Supply Interruptions	6.1	6.2	6.1	7.2	6.1	6.9	6.4	5.1
F: Water Industry National Environmental Programme / Biodiversity	6.7	6.9	6.3	4.4	6.4	7.6	6.8	7.3
G: Amount of water businesses and households use every day	7.3	7.4	7.2	8.4	7.0	7.4	7.1	7.5
I: Pro-active customer service	7.8	7.9	7.5	8.6	7.9	6.5	7.4	8.3
J: Net Zero Carbon	7.8	7.4	8.5	7.8	8.4	6.3	7.6	8.3

Water quality, leakage reduction, lead pipe removal and drought resilience were top priorities for all customers. Future customers were more concerned about WINEP Biodiversity than the average customer. Low Income and Vulnerable customers felt that Pro-active Customer Service should be a priority, compared to other customer types.

8.3 Response to information video

Customers were then prompted with a third video with the following script...

Water is essential for life, and our mission is to supply clean, affordable water every day. Off water is the economic regulator of the water sector. It has put long-term planning at the heart of its next review of water companies' business plans for 2025 to 2030. This means our five year reviews need to be staging posts in an overall journey towards delivering more longer-term benefits for customers and the environment. And we need to consider how much these will cost customers. Looking to the long term means having a very clear plan on how we organise and deliver our activities and the promises we make to our customers. We need to do this in a way that reflects our customers' priorities and represents the best value. This does not necessarily mean going with a cheaper option. We also need plans that can adapt quickly to changing circumstances. There are a lot of tough decisions to be made when considering all the options, and we need to hear people's views to make the right choices.

Importantly, we will have less choice on some decisions due to regulation and laws. For example, there is now a target in the Environment Act that says by 2037, we have to reduce the volume of water that we supply to each person every day by 20%. Whether you are a current customer or a customer of the future, we need you to tell us in what order would you prefer the investments to be made when you think it's fairest for these investments to be made. Who do you think should be paying to make these improvements and how much should each generation pay towards them?

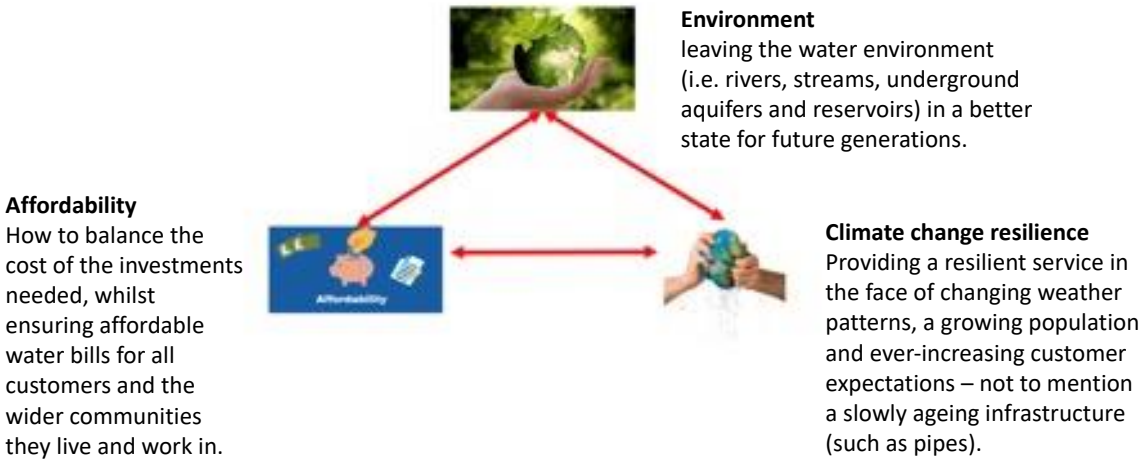
Customers learned from the video that there is a significant need to educate everyone on water usage. They were encouraged to take showers instead of baths and to recycle water. Water meters were also seen as a way to reduce water consumption. However, advertising campaigns aimed at reducing water usage did not have much impact. The video also highlighted the issue of leaks.

'We don't think twice about taking a long shower. But, um, over in Clinton Australia, places where water's a lot more precious you turn your shower on and off, you soak yourself, then you turn it off, then you lather up and soak yourself and all the rest of it. You don't just let it run like we do'.

- ***Workshop 8, SSW HH aged 50-70***

8.4 Customer Response to the Trilemma

Showcard 5



Participants found it interesting to see that there was a balance between resilience investment and the environment, and they recognised the importance of leaving a better world for future generations. Some felt that using fewer chemicals to treat the water made good economic sense as well. However, these were perceived as ambitious targets, and customers felt that they lacked information to answer questions on this. Some felt that understanding the profits and investments of water companies would be helpful to make informed decisions.

Some customers believed that the government should invest and support the water companies to protect the environment and provide a resilient service in the face of changing weather patterns. On the other hand, others argued that water companies should spend more on investment rather than payouts to shareholders.

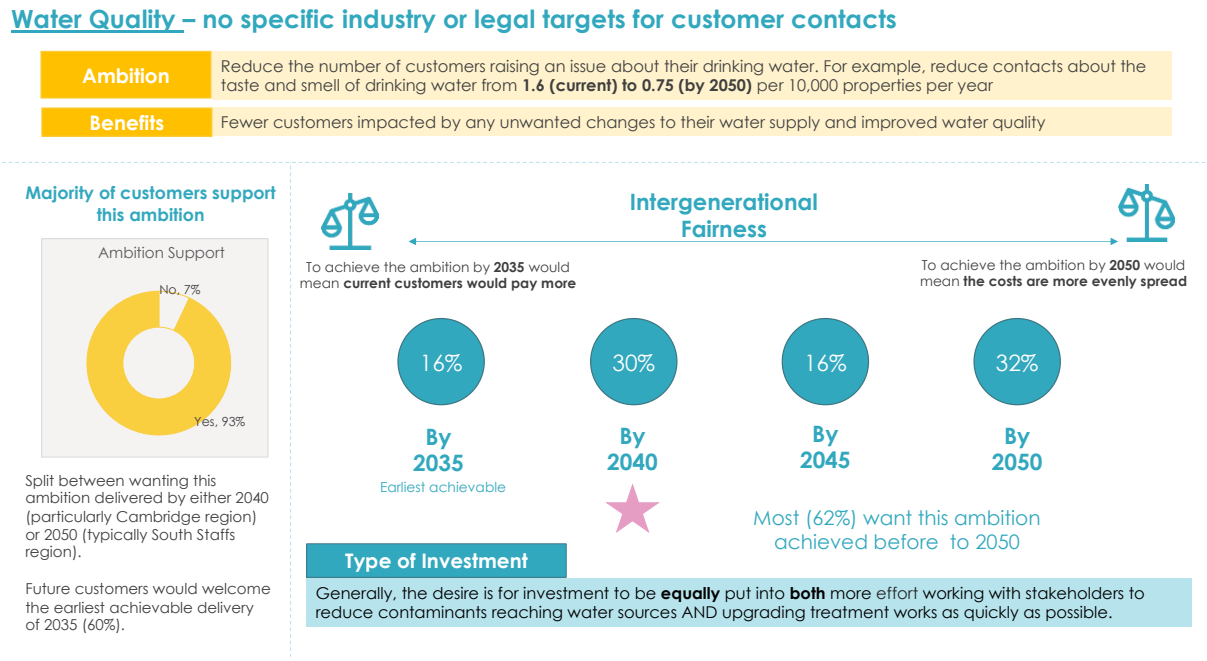
Another significant issue was affordability. Customers were concerned about keeping costs down, particularly those facing a cost-of-living crisis, such as vulnerable customers. They were worried about not paying their utility bills and the potential consequences of damaging their credit score or accumulating debt. Although they cared about the environment, they put themselves first and wanted affordable bills. The situation was more stressful for those with dependents living with them, such as children or elderly family members.

9. Workshop 2 - Response to ambitions, targets and types of investment

In session 2 of the reconvened workshops, participants were taken through each ambition in more details and asked to consider whether they support the ambition, when they want the ambition achieved by – taking into account the issue of inter-generational fairness – and, for the ambitions where relevant, what type of investment should be made and who should pay for it.

The full stimulus slides used in the workshops for both regions can be found in the Appendix. SS and CAM materials were the same, except where figures varied.

9.1 Water Quality



Should the company pursue this ambition?
Most customers believed that SSC should pursue this ambition. Water quality was fundamental to customers and thus they wanted the water company to invest in treatment works to ensure drinking water is safe.

When do they want to achieve this by/intergenerational Fairness?
The majority wanted SSC to achieve the ambition by 2040-2045 i.e. slightly sooner than the 2050 target. Given the cost-of-living crisis, customers felt that

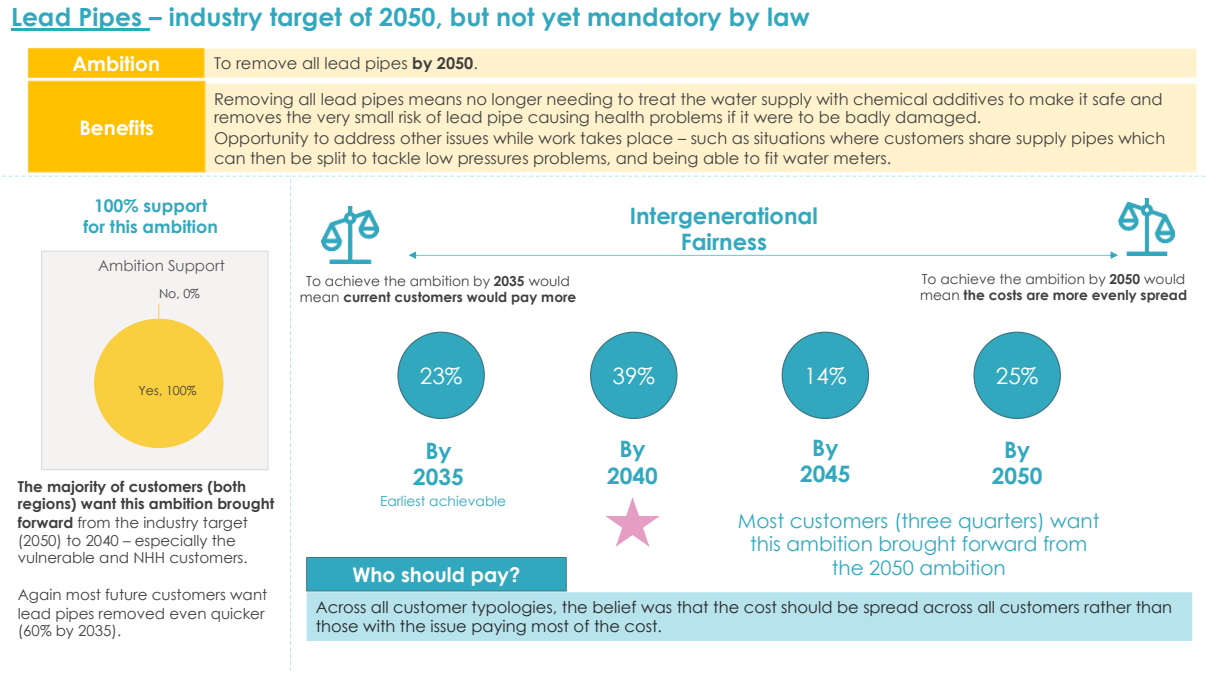
it made sense not to front load the investment but to spread the cost over a longer period of time and over generations of customers.

Type of investment (water environment or treatment works)
Generally, customers wanted SSC to invest in both areas equally i.e. (1) working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment and (2) increase spending faster to upgrade treatment works as quickly as possible to the latest treatments. Both areas were thought to be important. It was felt that innovation through Research and Development was an on-going process.

'It's not going to be just down to the water companies or to agriculture to solve this. It's both. They can't completely invest in just one or the other.'
- Workshop 7, CAM HH, vulnerable and low income

'All I want is good quality water to drink. That's what most people want."
- Workshop 5, CAM NHH

9.2 Lead Pipe Removal



Should the company pursue this ambition?
Customers strongly supported SSC's ambition to remove lead pipes but were puzzled by their continued existence since they were banned in 1969. Many felt that the government should have some responsibility in contributing to the removal of lead pipes because they posed a health hazard. Some customers also had a perception, perhaps incorrectly, that the chemicals

used to treat water were likely costly, making lead pipe removal a cost-effective solution in the long-term.

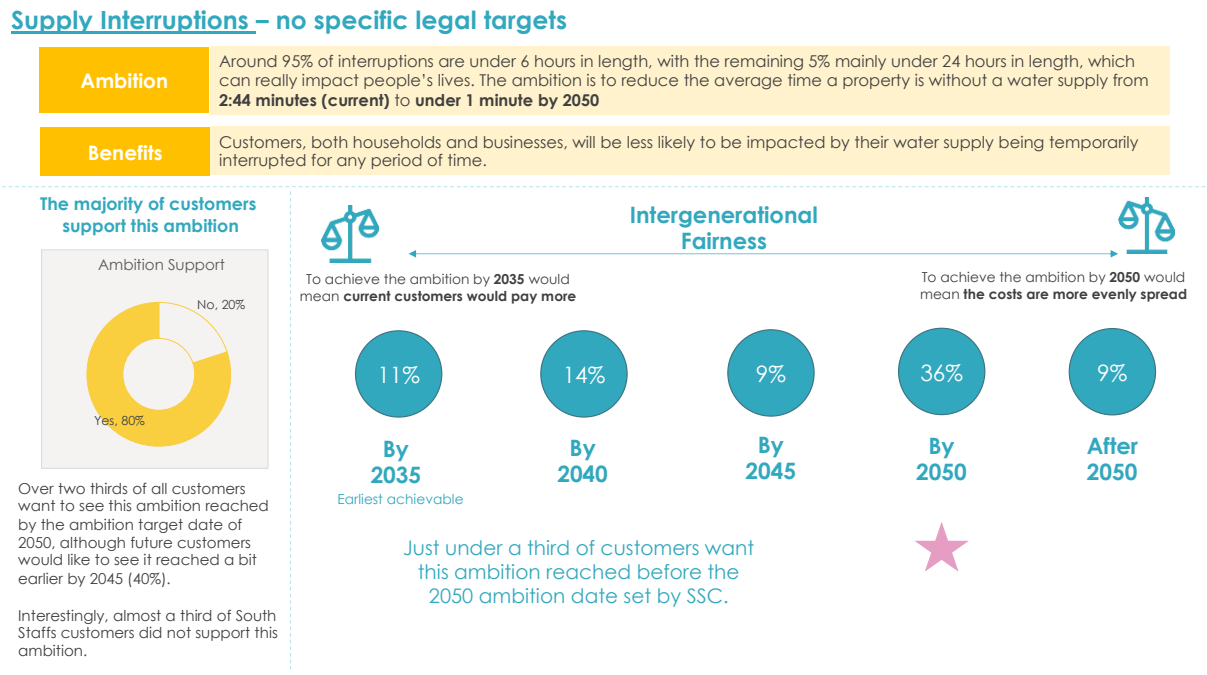
When do they want to achieve this by/intergenerational Fairness?
Most customers wanted the target to be brought forward by 10 years to 2040. The thinking behind this was that there was a risk to health, so it should be prioritised and that this trumped the question of intergenerational fairness.

Who should pay?
To ensure fairness, customers suggested different approaches for sharing the cost of removing lead pipes depending on where they were located. If lead pipes were present in public facilities such as schools or hospitals, the cost should be shared among all customers. However, if the lead pipes were in private homes, some customers believed that the homeowner should bear the cost. Ideally, the government or the water companies would bear the entire cost of removing all lead pipes. However, some customers thought that spreading the cost across all customers would be fairer.

Is it right to target high priority properties first?
Customers supported targeting high priority properties first.

'You need to spread the cost across all customers evenly'.
- Workshop 5, CAM NHH

9.3 Supply Interruptions

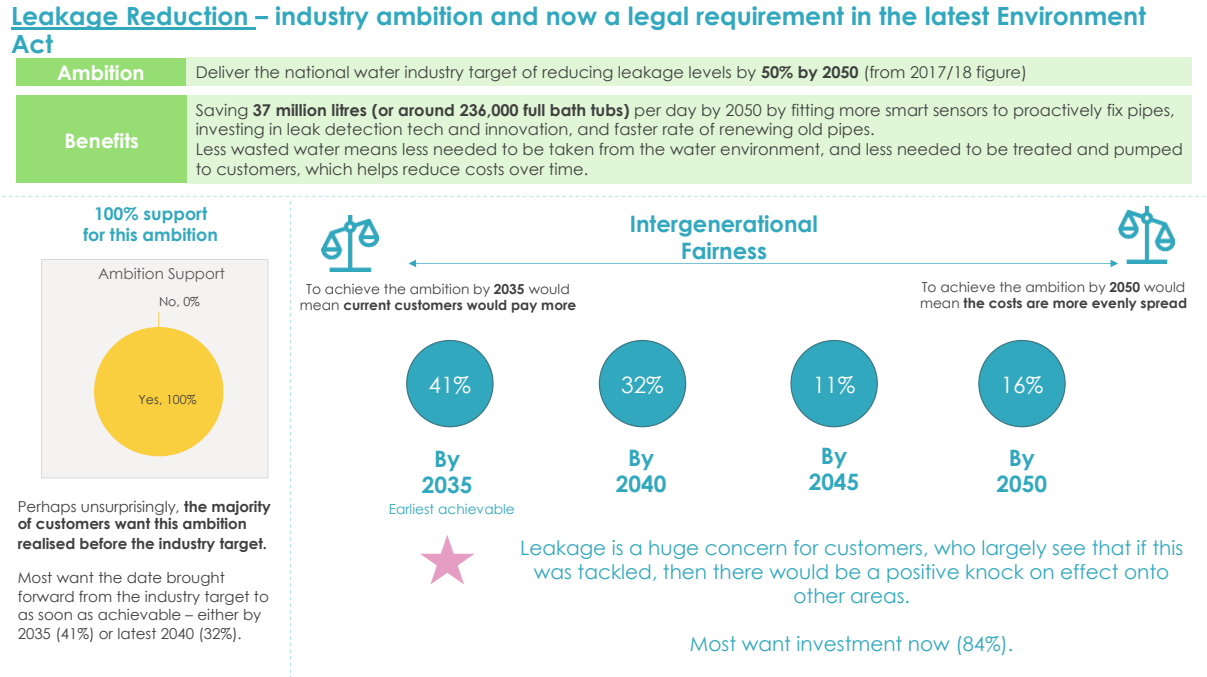


Should the company pursue this ambition? Is it ambitious enough?
80% wanted the company to pursue this ambition. However, almost a third of South Staffs Water customers did not support this ambition. This was because they felt that SSC were already on track with their current rate of performance and thus it should not be a priority. Also, few had experienced supply interruptions which impacted their perceptions.

When do they want to achieve this by/intergenerational Fairness?
Most felt that SSC would have no problem in hitting the target of 2050 given their excellent track record of reducing the average time from 4.5 minutes to 2.75 minutes over the last 3 years. It was felt that if SSC had the technology now, it made sense to use it to avoid disruption to customers. They also wanted SSC to invest in a smart network that identifies bursts before they happen.

'I think the target is ambitious enough because there are bigger things that need doing like lead pipes and leaks. 1 minute thing can wait until 2050.'
- Workshop 1, SSW Future Customers

9.4 Leakage Reduction



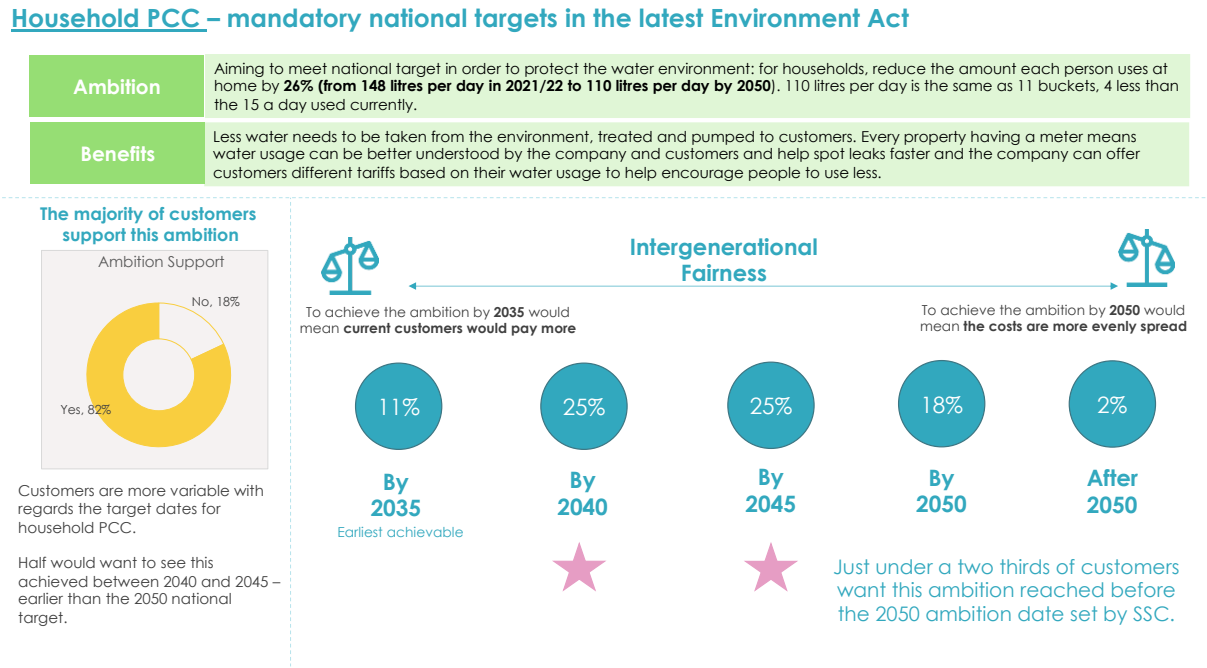
Do you support it?
All customers supported the ambition to reduce leaks, which was a key area of concern. They believed that the shortage of water was largely caused, or at least influenced, by leaks, and thus SSC needed to prioritise fixing leaks before asking customers to reduce their water consumption.

When do you want them to achieve it by?
The majority of customers wanted SSC to achieve the target of reducing leaks by 50% by 2050, while 32% preferred to achieve it by 2040. However, there was reluctance to increase the target due to cost implications, given the cost-of-living crisis. Customers felt that tackling leaks would be expensive, and some believed that it might be worth waiting for technology or innovation that would reduce the cost. Nonetheless, many customers argued that SSC should work on technology and innovation of materials to speed up the process and prevent future leaks.

'I support it when they are losing so much water per day, they need to look at the faults in joints and materials and replace where they can.'
- ***Workshop 5, CAM NHH***

'I think 2050 is achievable. If they change legislation to 2040 then they will have to do it by then.'
- ***Workshop 5, CAM NHH***

9.5 Household PCC



Do you support the targets?
Most customers supported the ambition, but there was some debate regarding the target dates. Household customers expressed their reluctance to fund investment plans for business customers. Instead, customers supported investing in the latest smart metering technology and rain/greywater system now to help reduce water usage.

Should the company pursue these ambitions quicker than the mandatory legal targets for household?

Half of customers wanted to achieve the target of reducing water usage between 2040 and 2045, earlier than the national target. However, there was resistance from some customers who did not want their personal water usage limited, especially with regards to long hot showers. They saw it as a matter of personal choice. Others argued that businesses and households were unique in their water usage and therefore, blanket reduction policies would not work. Nonetheless, customers were interested in recycling water rather than sourcing it from rivers.

'If they addressed leakage that would help to sort this out.'

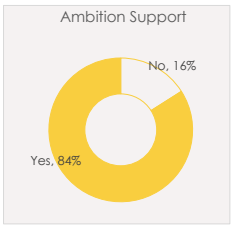
- Workshop 1, SSW Future Customers

9.6 Non-Household PCC

NHH PCC – mandatory national targets in the latest Environment Act

Ambition	Aiming to meet national target in order to protect the water environment: The Environment Act has set water companies a target of reducing business water use by **9% by 2037**.
Benefits	Less water needs to be taken from the environment, treated and pumped to customers. Every property having a meter means water usage can be better understood by the company and customers and help spot leaks faster and the company can offer customers different tariffs based on their water usage to help encourage people to use less.

The majority of customers support this ambition



30% of NHH customers do not support this ambition – especially if they are smaller businesses who feel that perhaps they are doing all they can already, and struggle to see where they could reduce consumption.

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

50%	18%	5%	9%	2%
By 2037	By 2040	By 2045	By 2050	After 2050

The target set by the Environment Act for 2037 broadly fits most customer beliefs of when NHH PCC reduction should be achieved by. Where customers see the 'big wins' here is amongst large businesses who use a lot of water.

Do you support the targets?

This ambition was supported by 84% of NHH Customers. However, they wanted to see big businesses also reducing their water consumption if they as smaller users were being asked to reduce consumption. There were some concerns about the quality of service or product they were selling if their water consumption was reduced substantially. For example, a take-away restaurant expressed concern about how they could keep their business clean if water usage was restricted.

Should the company pursue these ambitions quicker than the mandatory legal targets for household?
The target set by the Environment Act was in line with where customers thought the NHH PCC reduction should be achieved by.

When do you want to achieve this by?
Half wanted to see this achieved between 2040 and 2045 – earlier than the national target.

'It shocked me that businesses waste that much water. In my business it's a struggle to know where to cut back, sector by sector. I run a café, we used dishwashers a lot. I guess with catering equipment in the future tech will look at more efficient ways to use water.'

- ***Workshop 5, CAM NHH***

'Domestic would be a lower priority. Commercial water usage is a high priority given that the industry is using huge amounts of water. They should look for cheap solutions for fixing problems. It represents quick wins for little spend so focus on industry first, meters for domestic and business. (Workshop 5 Session 2)

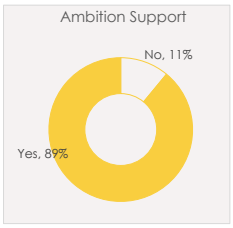
- ***Workshop 5, CAM NHH***

9.7 WINEP

Water Industry National Environmental Programme / Biodiversity protection – WINEP is a mandatory target for all water companies

Ambition	Ensure more water environments (such as rivers and underground aquifers) have healthy level of water flowing in them by reducing the water it takes from them to meet human demand by **48 million litres per day by 2050** – current daily demand for water is around 325 million litres - or 1.6 million full bath tubs.
Benefits	More water environments to have a healthy level of water flowing in them. Taking less water for human need, helps recovery of any damaged water environments. Investing in the WINEP helps restore biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

The majority of customers support this ambition



NHH customers differ slightly here to HH customers, with most NHH believing the mandatory target of 2050 being sufficient.

HH customers, particularly the vulnerable customer group, want this ambition achieved quicker.

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

By 2035	By 2040	By 2045	By 2050	After 2050
11%	36%	9%	30%	2%

Whilst just under a third of customers believe the 2050 target is adequate, a further **56% want this ambition brought forward** – typically to be achieved by 2040.

Do you support this mandatory target?
The majority of customers supported the ambition, but NHH customers had a different view, believing that the mandatory target of 2050 was sufficient. Business customers expressed concern about potential bill increases with no actual benefit to themselves.

Should the company go beyond the mandatory requirements in the WINEP and also reduce how much water it needs to take from the environment?
Many customers wanted them to achieve the time deadline by 2040 instead of the mandatory requirement of 2050. However, considering the cost-of-living crisis, some felt that the cost of going further than the mandatory requirements should be spread over a longer period.

When do you want to achieve this by?
Some agreed with 2050 but some wanted it brought forward. However. vulnerable customers were reluctant to pay more, even though they cared about the environment.

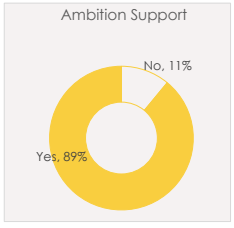
'It's important to look after wildlife. I think it should be higher up the agenda.'
- Workshop 5, CAM NHH

9.8 Net Zero

Net Zero – UK legal targets for 2050 and water industry ambition for 2030

Ambition (a)	Net zero carbon emissions from company operations by 2030.
Benefits	Help the UK achieve its national target of **net zero by 2050** to combat climate change impacts (e.g. drought, changing rainfall patterns) that can damage infrastructure and lead to restrictions on use.

The majority of customers support this ambition.



Greater support amongst future and vulnerable customers.

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

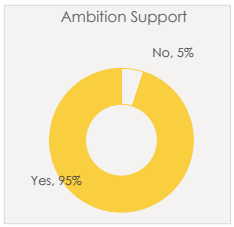
By 2030	By 2035	By 2040	By 2045	By 2050	After 2050
27%	9%	16%	9%	25%	2%

Although just over a quarter of customers want this ambition achieved by the SSC target of 2030, the majority were happy to wait longer.

Net Zero – UK legal targets for 2050 and water industry ambition for 2030

Ambition (a)	Net Zero green house gas emissions across all company and supplier operations by 2050.
Benefits	Help the UK achieve its national target of **net zero by 2050** to combat climate change impacts (e.g. drought, changing rainfall patterns) that can damage infrastructure and lead to restrictions on use.

The majority of customers support this ambition.

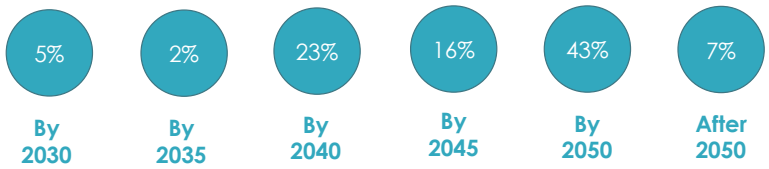


Again, greater support amongst future and vulnerable customers.

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**



Although almost half of customers want this ambition achieved by the SSC target of 2050, a further 46% wanted this ambition achieved quicker than the 2050 target.

Greater numbers of Cambridge customers and those aged 30-70 years were happy with the 2050 target (63% and 58% respectively).

Customers were mixed on the whole as to whether SSC should invest more 'right now' in current renewable energy etc or wait a while (43% vs 57%).

Should SSC pursue this ambition for achieving Net Zero across all of its operations, including embodied carbon?

Most customers supported Net Zero, but it was not seen as a priority. Rather it was seen as a generic target imposed on them by Government.

When should it be achieved by?

Customers expressed their interest in achieving the target of eliminating all embodied carbon by 2040, which would provide enough time for the implementation of electric vehicles and renewable energy sources and contribute to the fight against climate change while protecting rivers. They believed that achieving the target for operational carbon by 2030 would enable SSC to reach the target for all embodied carbon by 2040.

Should the company deliver the 2030 Net Zero operational target later and bring the embodied carbon target forward from 2050?

Most customers did not feel equipped to answer whether SSC should deliver the 2030 operational target later and bring the embodied target forward from 2050.

'There will be a detrimental effect if we don't tackle climate change sooner than 2050. The impact on wildlife, fishing and food sources is huge. I think they should go further because we try to do our best to improve things so we have to take into consideration the whole biosphere around us to be mindful of insects and birds'.

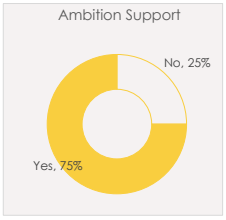
- ***Workshop 1, SSW Future Customers***

9.9 Proactive Customer Service

Proactive Customer Service to Make Life Easier for Customers - no specific industry or legal targets

Ambition (a)	To be the best company **in the water sector** for customer service by 2030.
Benefits	Pro-active customer service to fix failures before they happen so customers are not impacted and allow customers to contact the company using the method they want, when they want. Give people more information about their water use and bills to help them have more control over how and when they use it.

Whilst the majority of customers support this ambition, it gained lower support than other ambitions – it was less of a priority.



Less support for this ambition was evident amongst 30-70 year old customers, but greater support from vulnerable customers.

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

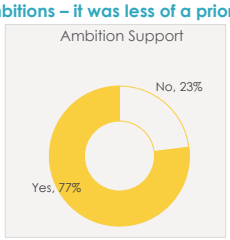
By 2030	By 2035	By 2040	By 2045	By 2050
27%	2%	14%	11%	20%

Because this ambition featured lower on customers priorities for investment, there appeared to be more variation in when customers believed this ambition should be achieved.

Proactive Customer Service to Make Life Easier for Customers - no specific industry or legal targets

Ambition (b)	To be the best performing company in the **utilities sector** (energy, broadband, etc) by 2050.
Benefits	Pro-active customer service to fix failures before they happen so customers are not impacted and allow customers to contact the company using the method they want, when they want. Give people more information about their water use and bills to help them have more control over how and when they use it.

Similar scenario whereby the majority of customers support this ambition, but it gained lower support than other ambitions – it was less of a priority.



Again, there was less support for this ambition amongst 30-70 year old customers, but greater support from vulnerable customers.

Cambridge customers were less on favour of this ambition than South Staffs customers.

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

By 2030	By 2035	By 2040	By 2045	By 2050	After 2050
18%	7%	9%	7%	34%	2%

Just under half of customers wanted this ambition to be achieved sooner than the 2050 goal, although around a third were happy with the SSC target.

South Staffs customers were more typically wanting to see this achieved before the 2050 target, whereas for those Cambridge customers supporting this ambition, most were happy with the 2050 target.

Should SSC pursue this ambition?

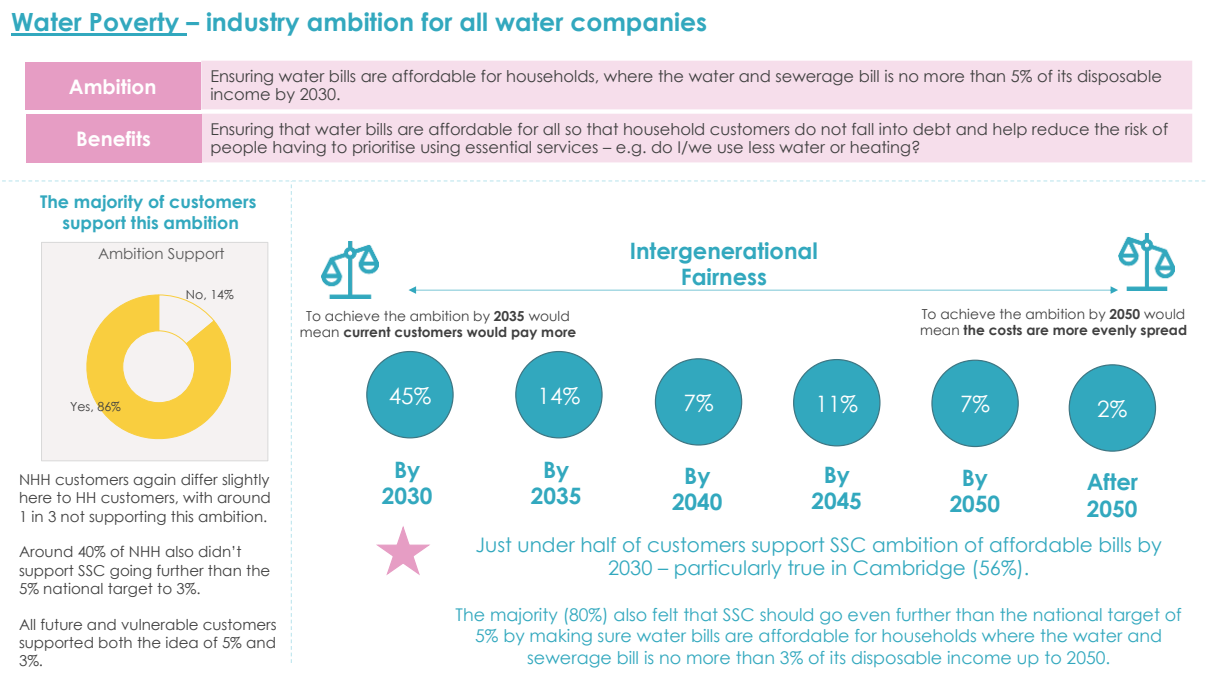
Customers felt that SSC should pursue this ambition but, on the whole, it seemed less of a pressing priority than some of the other ambitions. The cost to achieve the ambition should be spread over a longer period.

When do you want to achieve this by?
Most customers felt that 2040-2045 was a reasonable target. Although some felt that 'it was easy' to improve customer service and they could do that before 2030. They had given themselves a soft target for this.

Should the company spend now on innovation to be a leader in the field or wait for innovation to be proven first? Invest now or wait?
Most felt that there was no need for SSC to be a leader in their field. They believed that SSC would adapt new technology over time. The levels of customer service were acceptable currently, so this was not seen as a priority. However, smart metering would have a role to play in giving customers more control over their water usage.

'I work in retail and it doesn't require much effort to improve customer service. If they wanted to they could do it quickly. As a consumer, every single person contacting them will benefit. They will appreciate if correspondence or interactions are better. It will make their lives easier. '
- Workshop 1, SSW Future Customers

9.10 Water Poverty



Should SSC pursue this water industry ambition? Is the target realistic?
Most felt that SSC should pursue the ambition and because they had given a date of 2030 most agreed that they should try and achieve it by then.

Should it go beyond the industry target for water poverty i.e. to 5% disposable income target rather than the national 3% target?
The majority of customers believed that SSC should aim to go beyond the national target of 3%. They believed that further action is needed to support vulnerable households and making bills affordable for those struggling the most on lower incomes would help alleviate stress around paying for water or falling into debt. Customers viewed water as a basic necessity.

However, NHH customers held a slightly different view, with about 1 in 3 not supporting the ambition to go beyond the national target. Specifically, around 40% of NHH customers did not support achieving the 5% level.

Who should pay?
If customers are given a choice between whether they should pay or whether the government should pay, they argue that the Government should pay through taxes to support low-income households with discounted bills.

'Yes, I would support their ambition. It is important for a lot of people with how everything is going, for people to afford their water bills. If there is help it should be available, a helping hand along the way, otherwise people will struggle'.

- ***Workshop 5, CAM NHH***

9.11 Overall Priority Ranking

Following the second workshop, participants were set a final 'homework task' survey, in which they were again asked to rank each ambition in order of importance. The chart below shows the average ranking for each ambition, with a lower ranking indicating a higher importance.

Ambition Priority for Investment Ranking for South Staffs and Cambridge Water Customers. (post SECOND session workshops and education) – post workshop session 2 task shows that whilst the top and bottom customer priorities remain static, it's the middle ground that sees some movement.

= higher importance than average

Higher importance

Lower importance

Ambition	Average Investment Priority Ranking							
	Overall (all customers)	South Staffs	Cambridge	Future Customers	30-70 years	Low income and vulnerable	Household (30-70 + vulnerable)	Non Household
A: Water Quality	2.3	2.5	1.9	2.0	2.7	1.8	2.4	2.1
D: Leakage Reduction	2.8	2.5	3.4	2.6	2.2	3.9	2.8	2.9
B: Lead Pipe Removal	3.0	3.0	3.0	2.0	3.4	3.2	3.3	2.5
E: Drought Resilience	5.5	5.6	5.3	4.6	5.6	5.8	5.7	5.3
C: Supply Interruptions	5.7	5.4	6.1	6.4	5.9	6.0	6.0	4.5
G: Amount of water businesses and households use every day	6.0	6.4	5.4	7.0	5.8	6.0	5.9	6.1
H: Water Poverty	6.5	6.0	7.3	6.4	6.7	5.6	6.3	6.9
F: Water Industry National Environmental Programme / Biodiversity	6.8	7.3	6.0	6.2	6.1	7.9	6.7	7.4
I: Pro-active customer service	8.1	8.2	7.9	8.6	8.1	7.6	7.9	8.5
J: Net Zero Carbon	8.4	8.3	8.7	9.2	8.6	7.2	8.1	8.8

6

As well as the ranking above, participants were also asked to allocate 100 points across the 10 ambitions – the more points they attributed to each, the more importance it has for them. In the chart below, the ambitions with the highest average points totals are those of most importance.

Weighted ranking of priority investments. Using a weighting system on priorities, we can see that the most important priorities are **lead pipe removal** and **leakage reduction**, followed by **water quality improvements** (top tier – share almost equal weighting overall, although differences were noted by customer typology) – they are over five times more important than the bottom priority – pro-active customer service, and where customers believe investment should be weighted towards achieving targets or better.

= higher weighted importance than average

Higher importance

Lower importance

Ambition	Average Investment Priority Ranking							
	Overall (all customers)	South Staffs	Cambridge	Future Customers	30-70 years	Low income and vulnerable	Household (30-70 + vulnerable)	Non Household
B: Lead Pipe Removal	17.7	18.8	15.8	21.2	14.3	17.0	15.2	23.1
D: Leakage Reduction	17.4	19.5	13.9	7.8	23.1	14.5	20.1	14.4
A: Water Quality	14.9	15.8	13.4	23.0	12.6	17.8	14.4	12.3
C: Supply Interruptions	9.9	10.7	8.4	8.2	6.2	13.6	8.7	14.1
H: Water Poverty	8.7	10.1	6.3	6.6	8.7	12.2	9.9	6.3
E: Drought Resilience	8.2	7.0	10.3	6.2	9.4	6.7	8.5	8.4
F: Water Industry National Environmental Programme / Biodiversity	7.8	4.8	13.1	6.0	9.8	6.3	8.6	6.5
G: Amount of water businesses and households use every day	6.8	5.4	9.2	8.0	7.2	5.5	6.6	6.6
J: Net Zero Carbon	5.6	5.1	6.6	7.0	5.7	5.2	5.6	5.2
I: Pro-active customer service	3.0	2.9	3.1	6.0	3.1	1.2	2.4	3.1

= top tier = middle tier = bottom tier

Taking all of the participants feedback through the sessions and post task exercises into account, SSC's key priority investments were lead pipe removal, leakage reduction, and water quality. The priorities in the middle tier were

Supply Interruptions, Water Poverty, Drought Resilience, WINEP/Biodiversity, and water usage by businesses and households. The bottom tier consisted of New Zero Carbon and Pro-active customer service, which were considered far less of a priority.

10. Workshop Participant Feedback

In the post-workshop 'homework task', participants were asked to give their feedback on how they thought the sessions were organised/structured, whether they enjoyed taking part, had a fair chance to have their say, understood the materials and information presents and to suggest potential improvements to future sessions.

To what extent to you agree or disagree with the following statements?	Disagree NET (1-2)	3 - Neither agree nor disagree	Agree NET (4-5)
I enjoyed taking part and having my say	11%	9%	80%
Everyone was given a fair chance to have their say	11%	7%	83%
The session was well-organised and structured	9%	4%	87%
I understood all the materials and information presented, and activities asked of me	11%	2%	87%

As can be seen above, the majority of participants agreed with the feedback statements, with the lowest agreement percentage for 'I enjoyed taking part and having my say' at 80%.

Participants were then given the opportunity to give their feedback on the scores they gave. Almost all of the comments were positive:

'Great experience, was lovely to have the opportunity to understand the future challenges and have an input on the future of South Staffs.'
SSW HH Customer, 30-70

'Sessions were well structured and run. I particularly liked the fact that representatives from the company were there to observe and answer questions.'
CAM HH Customer, 30-70

'It's nice to know that South Staffordshire water care. Its interesting to know what they have in mind for the future. Thanks for inviting me.'
SSW HH Customer, Vulnerable / Low income

'I believe it was all really good it was very interesting I enjoyed learning about all the water information and how it will change when I am older.'
SSW Future Customer

There were some learnings from the final question, which asked participants to suggest improvements to future research. There was no single theme, however, with participants mentioning potential improvement in different areas:

'I feel that the sessions should be kept to an hour and no longer if possible.'
SSW Future Customer

'I think you should try and explains things a little more for the younger audience on the call that may or may not understand fully.'
SSW Future Customer

'Maybe read out questions in stages not all at once - very tiring.'
SSW HH Customer, 30-70

'The final part in which allocating scores is difficult (allocating 100pts) and could be achieved by ranking 1-10.'
CAM HH Customer, 30-70

11. Key Findings from the Reconvened Workshops

Response to the ambitions and targets (whether customers support the ambition, when they wanted it delivered by and the type of investment if appropriate):

The findings were largely consistent across the sample who took part.

As can be seen from the table below, overall there were three key ambitions that participants in the workshops wanted SSC to tackle as a priority:

- Lead pipe removal
- Leakage reduction
- Water quality

Ambition (most important to least important)		Average points allocated (out of 100)							
		Overall (all participants)	SSW overall	CAM Overall	HH customers overall	HH aged 30-70	HH Low income and vulnerable	Future Customers	Non-Household customers
Top Tier	Lead Pipe Removal	17.7	18.8	15.8	15.2	14.3	17.0	21.2	23.1
	Leakage Reduction	17.4	19.5	13.9	20.1	23.1	14.5	7.8	14.4
	Water Quality	14.9	15.8	13.4	14.4	12.6	17.8	23.0	12.3
Middle Tier	Supply Interruptions	9.9	10.7	8.4	8.7	6.2	13.6	8.2	14.1
	Water Poverty	8.7	10.1	6.3	9.9	8.7	12.2	6.6	6.3
	Drought Resilience	8.2	7.0	10.3	8.5	9.4	6.7	6.2	8.4
	WINEP	7.8	4.8	13.1	8.6	9.8	6.3	6.0	6.5
	Reducing household and business water usage	6.8	5.4	9.2	6.6	7.2	5.5	8.0	6.6
Bottom Tier	Net Zero Carbon	5.6	5.1	6.6	5.6	5.7	5.2	7.0	5.2
	Pro-Active Customer Service	3.0	2.9	3.1	2.4	3.1	1.2	6.0	3.1

The scores in the table above are taken from the second workshop, collected in the post-workshop survey. Each participant was asked to allocate 100 points

across the 10 ambitions, with the ambition they view as most important to be allocated the most points. This question allows for more separation in importance between ambitions compared with a simple ranking question.

Most participants wanted the Top Tier Targets delivered earlier than the planned targets proposed by SSC.

Water quality

93% of customers supported the ambition, but they were split between different target dates. Customers in the Cambridge Water region were more eager to see this ambition delivered by 2040, while those in the South Staffs region preferred achieving the target by 2050. Future customers showed even greater interest, with 60% of them welcoming the earliest achievable delivery of 2035.

62% of customers wanted this ambition achieved before 2050. When it comes to the type of investment, customers wanted equal efforts in working with stakeholders to reduce contaminants reaching water sources and upgrading treatment works as quickly as possible.

Lead pipes

All customers supported the ambition of removing lead pipes. The majority of customers from both regions wanted the industry target of removing lead pipes brought forward from 2050 to 2040, especially the vulnerable and non-household (NHH) customers.

Future customers wanted lead pipes removed even quicker, with 60% of them expecting it to be achieved by 2035.

It was felt that this target was long overdue as lead pipes became illegal in 1969 and it was a priority due to the health hazard they represented. Across all sample sectors, there was a belief that the cost of removing lead pipes should be spread across all customers rather than those with the issue paying the cost.

Leakage reduction

All customers supported the ambition of reducing water leakage. Most customers preferred to achieve the target sooner than the industry target of 50% by 2050. 41% wanted the target to be reached by 2035, and 32% by 2040. The majority of customers (84%) wanted immediate investment to address leakage. Customers believed that reducing leakage would have positive impacts on other targets.

Supply interruptions

The ambition was supported by 80% of customers. The majority of customers (over two-thirds) wanted to achieve this ambition by the target date of 2050, although future customers preferred an earlier date of 2045 (40%). However, almost a third of South Staffs customers did not support this ambition. They believed that SSC is already on track, and few customers were affected by supply interruptions, and most had no personal experience of it.

Household PCC – Mandatory national targets in the latest Environment Act

82% of customers supported the ambition, but there was mixed response regarding the target dates for household PCC. Half of the customers wanted to achieve it between 2040 and 2045, which is earlier than the national target of 2050. Additionally, 61% of customers wanted to achieve it before 2050. However, some HH and NHH customers pushed back and expressed concerns that reducing their water usage would impact their quality of life or the quality of the product they provide to their customers.

NHH demand - Mandatory national targets in the latest Environment Act

30% of NHH customers do not support this ambition, particularly smaller businesses who feel that they are already doing all they can and are unsure how to reduce their consumption further. However, most customers believe that NHH demand reduction should be achieved by the target set in the Environment Act for 2037. The majority of customers believe that the most significant progress could be made among large businesses that use a significant amount of water.

WINEP – Biodiversity

89% of customers supported the WINEP ambition. However, there is a difference in opinion between NHH and HH customers. Most NHH customers believe that the mandatory target of achieving this by 2050 is sufficient. On the other hand, HH customers, particularly the vulnerable group, want this ambition achieved quicker. Although just under a third of customers believe the 2050 target is adequate, a further 56% want to bring forward the target date to be achieved by 2040.

Water Poverty

86% supported this ambition. Just under half of customers support SSC ambition of affordable bills by 2030 – particularly true in Cambridge (56%).

NHH customers again differ slightly to HH with around 1 in 3 not supporting this ambition. They believe that they would probably end up paying for it. 40% of NHH did not support SSC going further than the national target to 3% disposable income threshold.

All future and vulnerable customers supported the idea of 3%.

Proactive Customer Service – (a) to be the best company in the water sector for customer service by 2030

The level of support for this ambition was 75%, which is lower compared to the other ambitions. The reason for this is that customers believed that the other ambitions are more important. The 30-70 year olds showed less support for this ambition, while vulnerable customers supported it more. This is probably because vulnerable customers might need to contact SS or CAM more often - e.g. for bill payment issues. Due to this ambition being a lower priority for customers, there were varied opinions on when it should be achieved.

Proactive Customer Service (b) to be the best performing company in the utilities sector

Although the majority of customers support this ambition, it received lower support than other ambitions as it was considered less important. Specifically, 77% of customers supported it. Interestingly, customers in Cambridge were less supportive of this ambition than South Staffs customers. About half of all customers wanted to achieve this ambition earlier than the target of 2050, while one-third were satisfied with the SSC target. South Staffs customers were more likely to want to see this achieved before the 2050 target, while most of the supporting customers in Cambridge were content with the 2050 target.

Net Zero (a) Net Zero emissions from company operations by 2030

Most customers supported the ambition to achieve Net Zero by 2050 as it was part of helping the UK achieve its national target. However, many customers did not believe that the UK would be able to meet this target, citing issues such as inadequate infrastructure for electric vehicles. Some customers also thought that it would be challenging for the water industry to achieve this target. Although just over a quarter of customers wanted this ambition achieved by the SSC target of 2030, the majority were happy to wait longer.

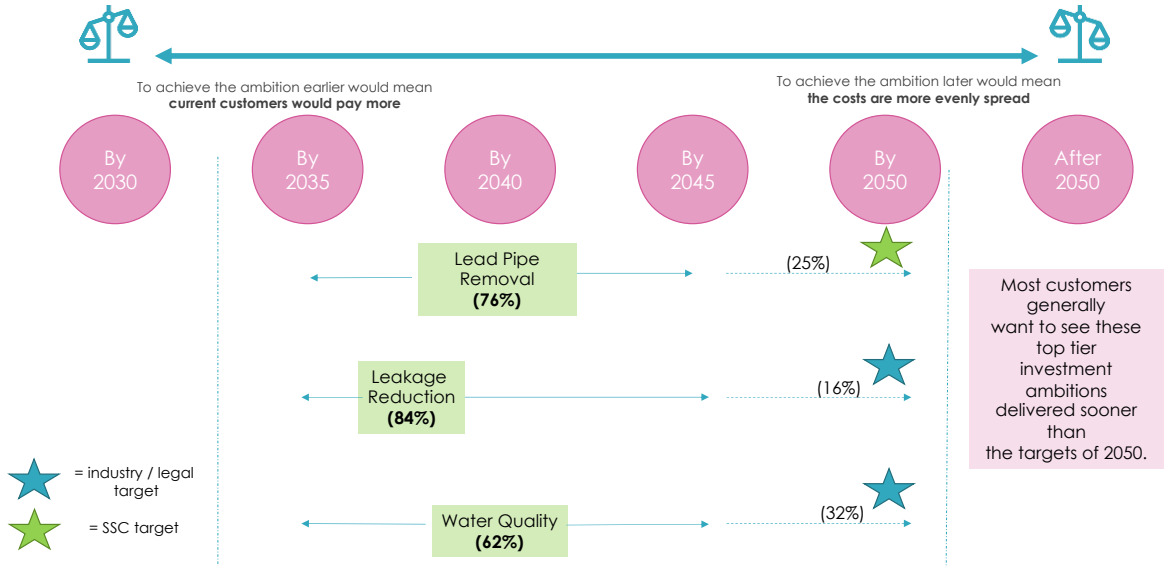
Net Zero (b) Net Zero greenhouse gas emissions across all company and supplier operations by 2050

This ambition had high support from customers, with 95% supporting it. Future and vulnerable customers were particularly supportive. While almost half of customers were satisfied with the SSC target of 2050, 46% wanted the ambition achieved earlier. However, a majority of Cambridge customers and those aged 30-70 years were content with the 2050 target, with 63% and 58% respectively.

Customers held mixed views on whether SSC should invest more in current renewable energy or wait a few years. 43% were in favour of immediate investment, while 57% preferred waiting. This was because technology is rapidly changing, and waiting could lead to more advanced, cost-effective and efficient technology being available.

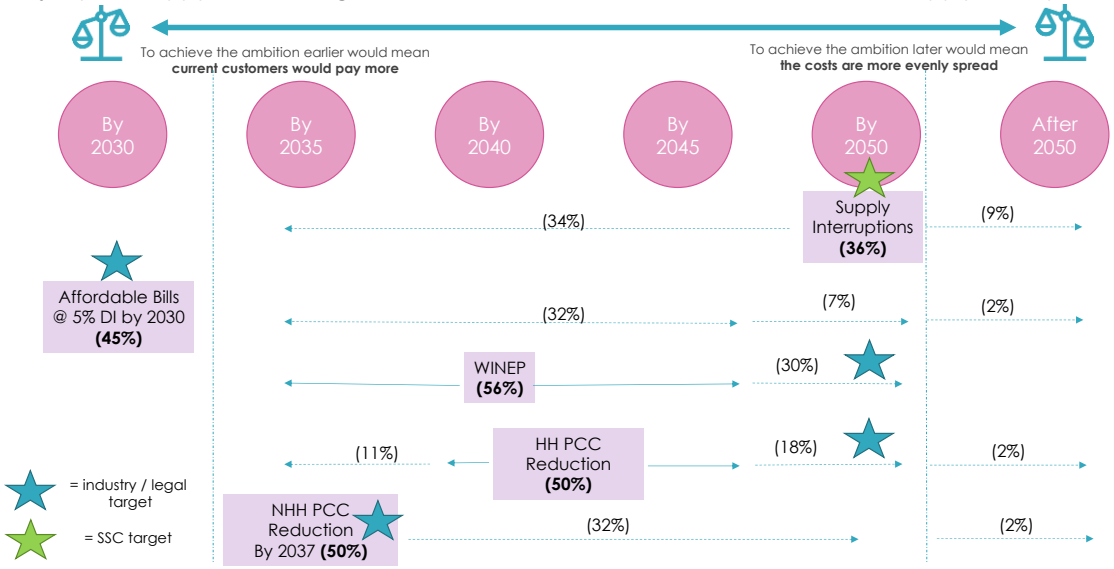
This summary highlights that customers expect SSC to achieve its investment ambition targets earlier than the set targets. Specifically, for lead pipe removal, 76% of customers want it achieved by 2040; for leakage reduction, 84% of customers want it achieved before 2035; and for water quality, 62% of customers want SSC to hit its target earlier than the 2050 target.

Summary of **Top Tier** Customer Priority Investment Ambition Targets (excluding drought resilience). These are the ambitions that customers believe the most 'investment effort' by SCC should be given to reaching the desired customer outcomes.



In the Mid-Tier Customer Priority Investment Ambition Targets, customers expressed a desire for the WINEP program and the PCC HH reduction to be achieved earlier than the targets set by SSC. There was a general feeling that SSC's ambition was not high enough. Although 36% of customers were content with SSC's Supply Interruptions target of 2050, 34% wanted the target to be reached sooner.

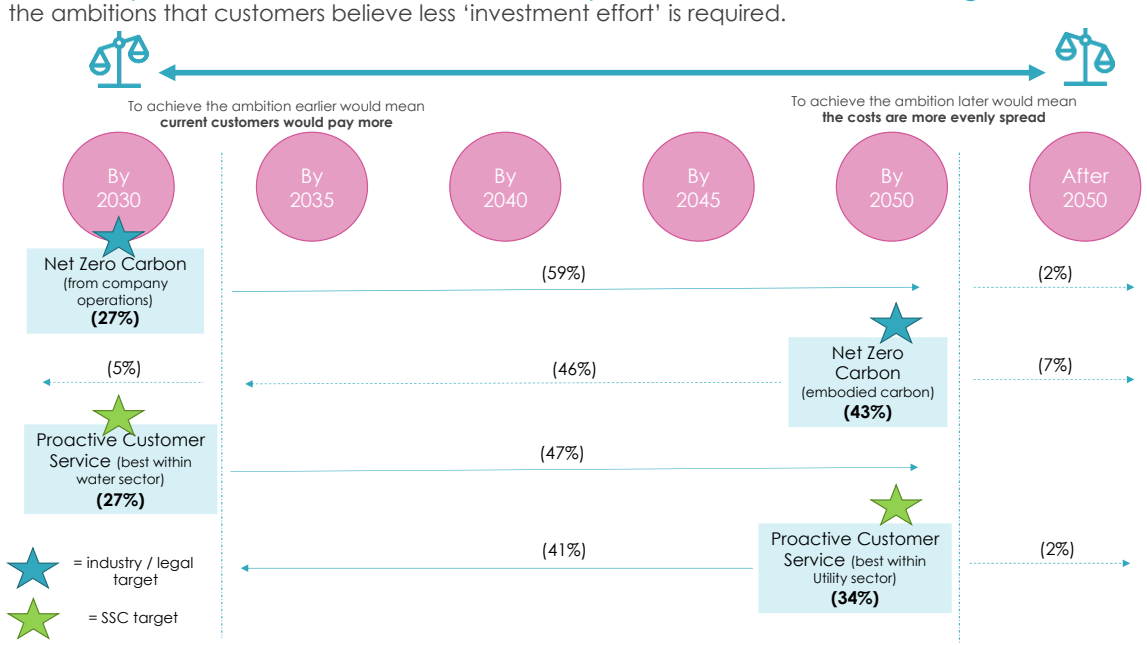
Summary of **Mid Tier** Customer Priority Investment Ambition Targets. Most customers would like to see the WINEP program and PCC HH reduction delivered sooner than the targets, but a slight majority are happy with the targets around NHH PCC reduction, affordable bills and supply interruptions.



Customers believed that less investment effort was required for Net Zero Carbon from company operations, with 27% agreeing with the 2030 target and 43% agreeing with the Net Zero Carbon (embodied carbon) by 2050 target, which was seen as a realistic goal.

Proactive Customer Service was not seen as a priority for investment, with 34% of customers being satisfied with the target of 2050. This was because the service was currently perceived as good, and other issues such as leakage, lead pipes, and water quality were seen as more pressing priorities.

Summary of **Bottom Tier** Customer Priority Investment Ambition Targets. These are the ambitions that customers believe less 'investment effort' is required.



Who should be paying? Intergenerational fairness

The majority of customers believe it is fair to contribute to the cost of maintaining water infrastructure for both present and future generations. This is because water is considered a basic human entitlement and should be managed equitably across generations. However, some customers believe that new technology in the future will be cheaper and better, so water companies should wait before investing.

Overall, it is believed that all customers, including NHH, HH, and future customers, should contribute to the cost of maintaining water infrastructure, and the cost should be spread evenly. However, this depends on the urgency of infrastructure needs and the impact on water affordability. It is important to consider the ability of different groups to pay and the potential impact on water affordability and access for vulnerable customers.

12. Quantitative Survey

In order to quantify the findings from the reconvened workshops, and to ensure that they are representative of both regions, a quantitative stage of research was conducted.

A questionnaire of around 15 minutes in length was designed by Turquoise, in conjunction with SSC, and optimised following a round of cognitive interviews. Due to the complex nature of the concepts involved, and the need to transmit a certain level of understanding to participants, an online survey was deemed the only viable methodology. The surveys used for both regions can be found in the appendix, including variations between HH and NHH customers.

In total, 1,080 responses were captured across both supply regions: 613 in the South Staffs Water region and 447 in the Cambridge Water region.

Region	Type	Completed Surveys
South Staffs Water	Household customer (HH)	510
	Non-household customer (NHH)	70
	Future Customer	53
Cambridge Water	Household customer (HH)	388
	Non-household customer (NHH)	30
	Future Customer	29

Due to the potential for some customers to be disadvantaged in giving their feedback online, Turquoise also included a boosted HH sample of 100 (60 SSW: 40 CAM) with customers who were either vulnerable (in receipt of means tested benefits, registered disabled, unemployed, a household income of less than £19,100 per year, and/or retired with only a state pension) or with limited internet access or capability. These interviews were conducted face-to-face in targeted locations across both regions known to have a higher prevalence of these types of customers.

As highlighted in Section 4 of this report, to ensure that the results are as representative of the region as possible, the household sample was weighted to represent the known demographic split of both supply regions. The non-household and future customer results are unweighted.

12.1 Household Sample Demographics

The below demographics are weighted Census 2021 regional profiles for age and gender, and Census 2011 for SEG. All participants are the person, or one of the people in their household who pays the water bill.

Demographic		South Staffs HH (n=510)	Cambridge Water HH (n=388)
Gender	Male	51%	50%
	Female	49%	49%
	Non-binary	0%	0%
	Prefer not to say	0%	1%
Age	18-24	4%	3%
	25-34	15%	15%
	35-44	17%	20%
	45-54	19%	19%
	55-64	17%	17%
	65-74	14%	13%
	75+	12%	12%
	Prefer not to say	2%	2%
SEG	AB	17%	34%
	C1/C2	49%	47%
	DE	31%	17%
	Unknown	3%	3%

12.2 Future Customer Sample Demographics

In the quantitative survey, future customers were aged 16-34 and either still living at home with their parent(s)/guardian(s) or living in a rental property where their water bill is included in their rent.

Demographic		South Staffs Future Customers (n=53)	Cambridge Water Future Customers (n=29)
Type	I still live at home and my parents / guardians pay the bills	72%	62%
	(The water bill) is paid by my landlord and included in my rent	28%	38%
Gender	Male	58%	48%
	Female	40%	48%
	Non-binary	0%	0%
	Prefer not to say	2%	3%
Age	16-17	34%	38%
	18-24	28%	48%
	25-34	38%	14%

12.3 Non-Household Customer Sample Demographics

Due to the need for participants to complete online, and the difficulty of reaching non-household customers through online panels, we had to accept the natural fallout of demographics. Panel samples are inevitably biased towards medium and large organisations which is evidenced by the splits below. Positively, there was representation across all sectors when looking at the SSC region as a whole.

Demographic		South Staffs NHH Customers (n=70)	Cambridge NHH Customers (n=30)
Size of Business	Micro	11%	13%
	Small	46%	30%
	Medium	21%	37%
	Large	21%	20%
Sector	Accommodation & food services	3%	7%
	Agriculture, forestry & fishing	3%	7%

	Business administration & support services	4%	7%
	Construction	6%	7%
	Education	3%	3%
	Financial & insurance	10%	3%
	Health	6%	13%
	Information & communication	9%	13%
	Manufacturing	14%	7%
	Motor trades	1%	3%
	Professional, scientific & technical	7%	7%
	Property	11%	0%
	Public administration & defence	3%	0%
	Retail	14%	13%
	Transport & storage (inc. postal)	3%	0%
	Wholesale	3%	10%

12.4 Current Water Bill and Ease of Paying

Household

To avoid confusion and to focus participants on the responsibilities of South Staffs and Cambridge Water as water only companies, a stimulus slide was provided to explain how their water bill is split between their water only company and wastewater company.

Customers were asked to manually enter their total water and wastewater bill. The survey script used their total water and wastewater bill to calculate what their water only bill paid to South Staffs Water or Cambridge Water is.

	South Staffs HH	Cambridge Water HH
Average Estimated Water Only Bill	£188.4	£181.5
Actual Average Water Only Bill	£161	£148

Having been shown their calculated water bill, customers were then asked how easy or difficult they / their household finds it to pay their water bill.

How easy or difficult is it currently for your household to afford your water?	South Staffs HH	Cambridge Water HH	SSC Overall HH
Difficult NET (1-2)	31%	25%	29%
1 - Very difficult	11%	9%	11%
2 – Fairly difficult	20%	15%	18%
3 - Neither easy nor difficult	34%	37%	35%
4 - Fairly easy	20%	24%	22%
5 - Very easy	13%	15%	14%
Easy NET (4-5)	34%	38%	35%
Don't know	1%	0%	1%

Across the SSC region as a whole, just 6% more customers currently find their water bill east to afford than difficult (35% Easy: 29% Difficult). The most common single response across both regions was '3 – neither easy nor difficult' (35%).

There is a slight, albeit not statistically significant difference, by region. South Staffs Water customers are more likely to find their current bill difficult to afford than Cambridge Water customers (31% difficult SSW : 25% difficult CAM), and vice versa, Cambridge Water customers are more likely to find their current bill easy to afford (38% easy CAM : 34% easy SSW).

While customers' actual bill level didn't produce any significant differences in ease of paying, both social grade and household income have a significant impact.

How easy or difficult is it currently for your household to afford your water? SSC overall (n=898)		Difficult NET (1-2)	3 - Neither easy nor difficult	Easy NET (4-5)	Don't know
Social Grade	AB	11% ↓	35%	53% ↑	0%
	C1C2	23% ↓	40% ↑	37%	0%
	DE	54% ↑	26% ↓	18% ↓	1%
	Unknown	47%	34%	13% ↓	6% ↑

Household income	Up to £367 Per Week / Under £19,100 Per Year	51% ↑	33%	16% ↓	1%
	£367 - £442 Per Week / £19,100 - £23,000 Per Year	36%	28%	35%	1%
	£443 - £721 Per Week / £23,001 - £37,500 Per Year	23%	37%	40%	0%
	£722 - £1000 Per Week / £37,501 - £52,000 Per Year	11% ↓	34%	55% ↑	0%
	£1001+ Per Week / £52,001+ Per Year	7% ↓	32%	62% ↑	0%
	Prefer not to say	29%	46% ↑	23% ↓	2% ↑

↑↓ Indicates significant difference by social grade or household income

Although not surprising that customers with a higher household income would find it easier to pay their water bill, the differences are stark – 51% of customers with the lowest household income band of under £19,100 per year and 54% of customers with a DE social grade currently find it difficult to pay their bill.

Non-Household

	South Staffs NHH (n=70)	Cambridge Water NHH (n=30)
Average Estimated Water Only Bill	£8,515	£15,512

Cambridge Water non-household customers reported a higher average water bill than South Staffs Water non-household customers.

How easy or difficult is it currently for your organisation to afford your water?	South Staffs NHH	Cambridge Water NHH	SSC Overall NHH
Difficult NET (1-2)	10%	13%	11%
1 - Very difficult	1%	3%	2%
2 – Fairly difficult	9%	10%	9%

3 - Neither easy nor difficult	21%	40%	27%
4 - Fairly easy	43%	27%	38%
5 - Very easy	26%	20%	24%
Easy NET (4-5)	69%	47%	62%
Don't know	0%	0%	0%

Cambridge Water non-household customers reported finding it more difficult to afford their organisation's water. This finding doesn't appear linked to their reported higher average water bill with ease of paying consistent across the different bill levels.

12.5 Trust in SSC to Deliver its Long-Term Investment Plans

Across the customer and audience types, non-household customers had a significantly higher level of trust in SSC to deliver its long-term investment plans.

Thinking about SSC again and using the scale below, how much do you trust SSC to deliver its long-term investments plans from 2025-2030 and up to 2050?	Household			Future Customers			Non-Household		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
Don't Trust NET (0-3)	7% ↓	15% ↑	10%	6%	7%	6%	0%	0%	0%
0. I don't trust them at all	2% ↓	6% ↑	3%	2%	0%	1%	0%	0%	0%
1	1%	2%	1%	0%	0%	0%	0%	0%	0%
2	2%	2%	2%	0%	3%	1%	0%	0%	0%
3	3%	5%	4%	4%	3%	4%	3%	3%	3%
4	6%	6%	6%	6%	10%	7%	6%	0%	4%
5. Neither trust nor distrust	32%	36%	33%	26%	17%	23%	6%	10%	7%
6	9%	9%	9%	15%	21%	17%	13%	7%	11%
7	12%	10%	11%	15%	17%	16%	14%	20%	16%
8	13%	11%	12%	9%	17%	12%	26%	20%	24%
9	6% ↑	2% ↓	4%	13%	0%	9%	13%	30%	18%

10. I trust them completely	8%	6%	7%	2%	3%	2%	20%	10%	17%
Trust NET (7-10)	39%	29%	35%	40%	38%	39%	73%	80%	75%
Don't know	8%	6%	7%	8%	7%	7%	0%	0%	0%

Indicates significant difference by region within audience type

South Staffs Water household customers reported a significantly higher level of trust in the company to deliver its long-term investment plans than Cambridge Water household customers (39% vs. 29% respectively). Cambridge Water household customers were also significantly more likely to score a '0 – I don't trust them at all' than South Staffs Water household customers.

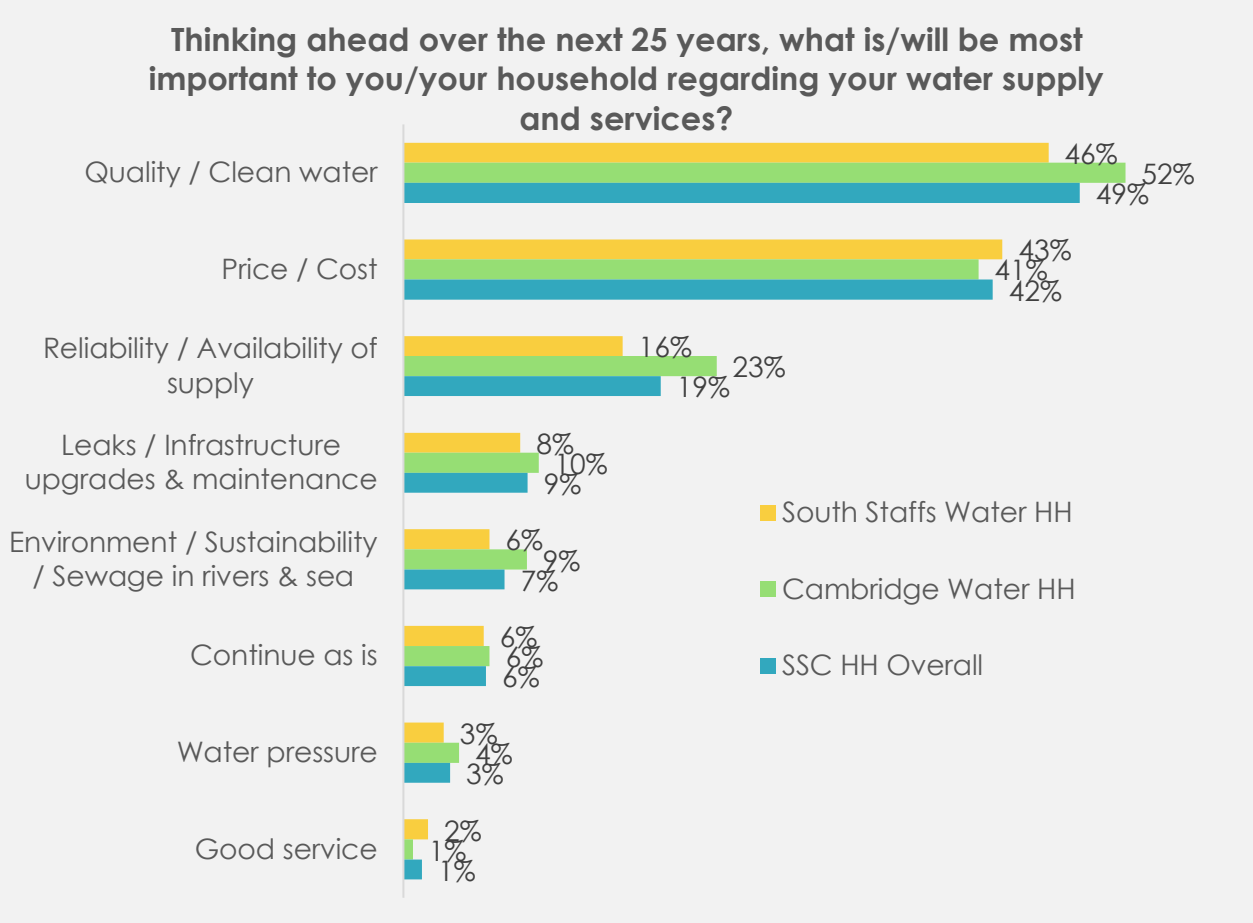
Future customers in both regions reported similar, albeit slightly higher, levels of trust to household customers, with 39% of this audience trusting the company to deliver its long-term investment plans.

12.6 What's Important Regarding Future Water Supply and Services?

Household

Participants were asked to enter using text what is important to them regarding their future water supply and services. Similar to what was found in the pre-workshop 'homework task', the three most important areas for customers over the next 25 years are: 'quality/clean water'; 'price / cost (of water)' and 'reliability / availability of supply'. This was true across both supply regions, with no significant differences seen between the two.

The single most important aspect for household customers over the next 25 years is that the quality of water remains high or improves – this aspect was cited by half of all HH respondents (49%). The price / cost of water was the second most important area for customers, with 42% citing this. One in five (19%) of customers mentioned 'reliability / availability of supply'. Smaller proportions cited 'leaks/infrastructure upgrades and maintenance' (9%) and 'environment / sustainability / sewage in rivers and sea' (7%).



'Protecting the environment (quality and quantity, also carbon use) whilst ensuring water resources are resilient against drought and climate change risks. This includes ensuring that my household has a reliable source of water and drains and pipes are in good working order to avoid blockages and leaks. I would also like to see Cambridge water increasing awareness of water efficiency in the community.'

- ***CAM HH Customer***

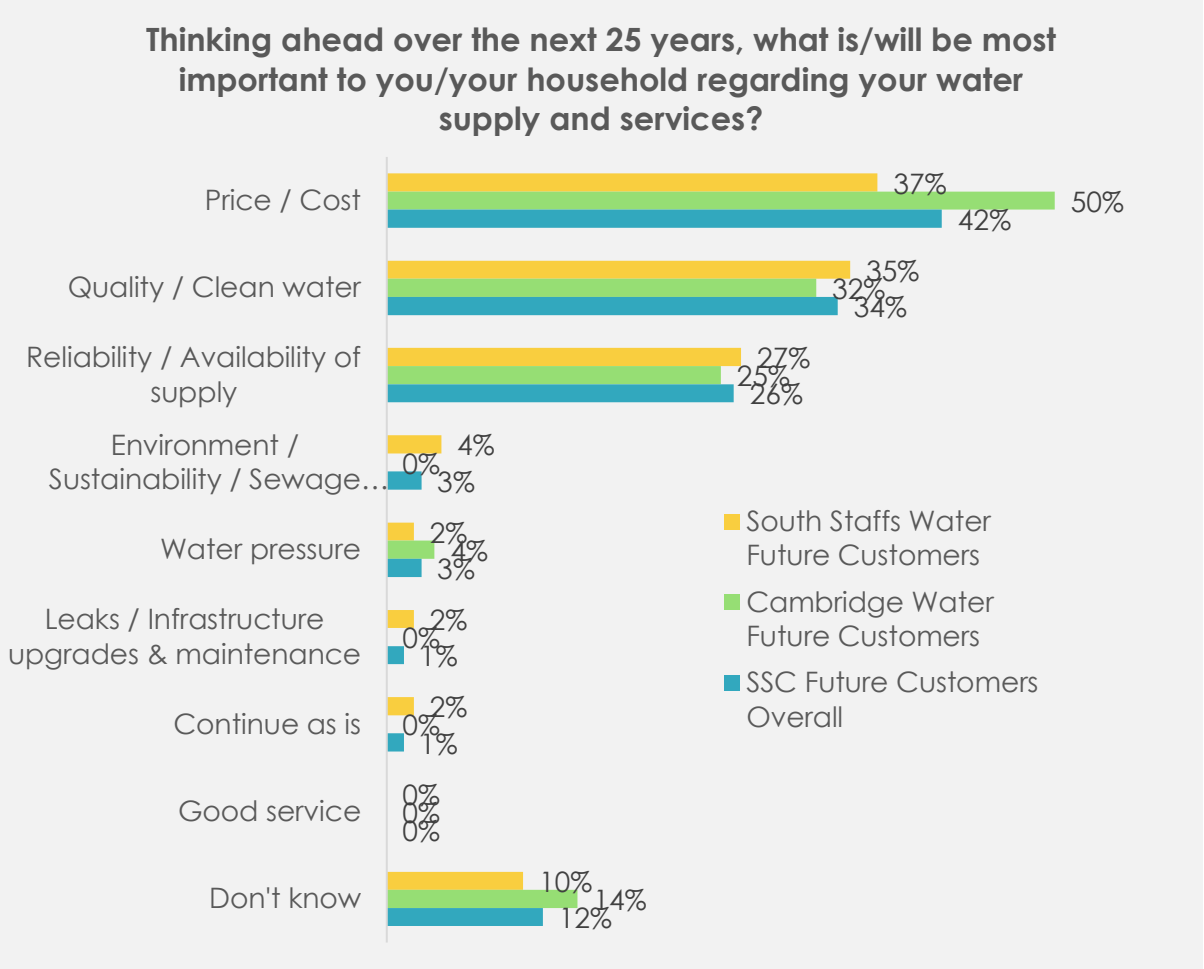
'Consistency of quality, affordability and good service. Which has been very evident so far, please keep up the good work!'

- ***SSW HH Customer***
-

'Reducing wastage of water through leaks on the network. Security and quality of supply.'

- ***SSW HH Customer***

Future Customers



The same three aspects were also of most importance to future household customers; however, amongst this group the price/cost of water was the most important (42%).

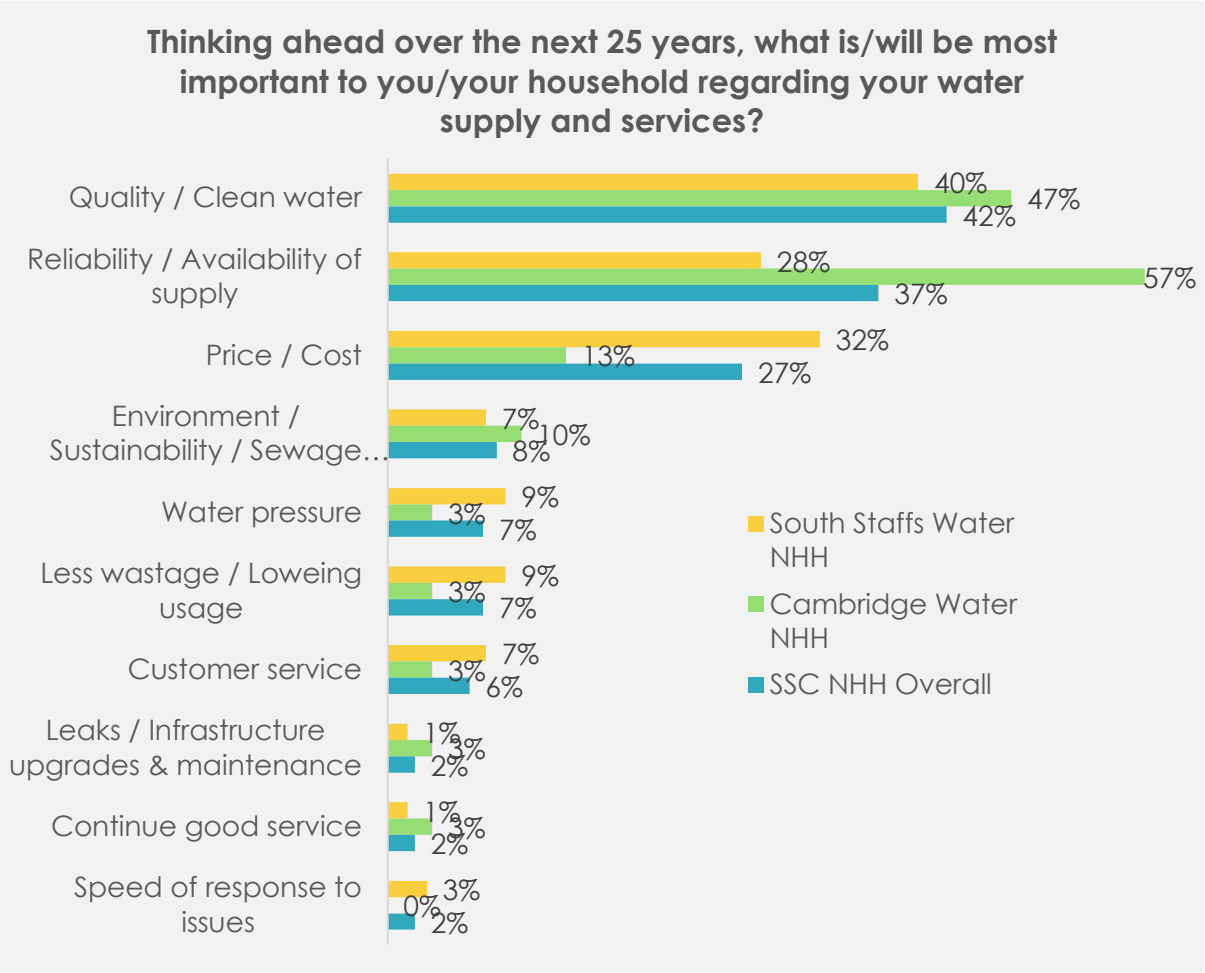
'I think the most important thing would be consistent, cheap, and good quality water. I don't want it cutting out at any point, I don't want to pay lots, and I want it to be good quality.'

- ***CAM Future Customer***

'Ensuring that we have easy access to water for all purposes and that we are not wasting water.'

- ***SSW Future Customer***

Non-Household Customers



For non-household customers, the three most important aspects over the next 25 years were also, 'quality / clean water' (42%); 'reliability / availability of supply' (37%) and 'price / cost' 27%. There were some differences by region with Cambridge Water NHH putting more importance on the quality and reliability/availability of supply; whereas, South Staffs Water NHH customers put more importance on the price/cost of water.

'In the next 25 years, I hope the quality of water supply will be better and better, so that we can serve everyone.'

- ***CAM Future Customer***

'Making sure that it runs smoothly at most times. There's also a desire for higher quality water.'

- ***CAM Future Customer***

'I just want my providers to be reliable and friendly; that's all I want to be honest.'

- ***SSW Future Customer***

'To reduce the cost of the bills. To reduce occurrences of low water or low pressure.'

- ***SSW Future Customer***

12.7 Future Investment Attitudes

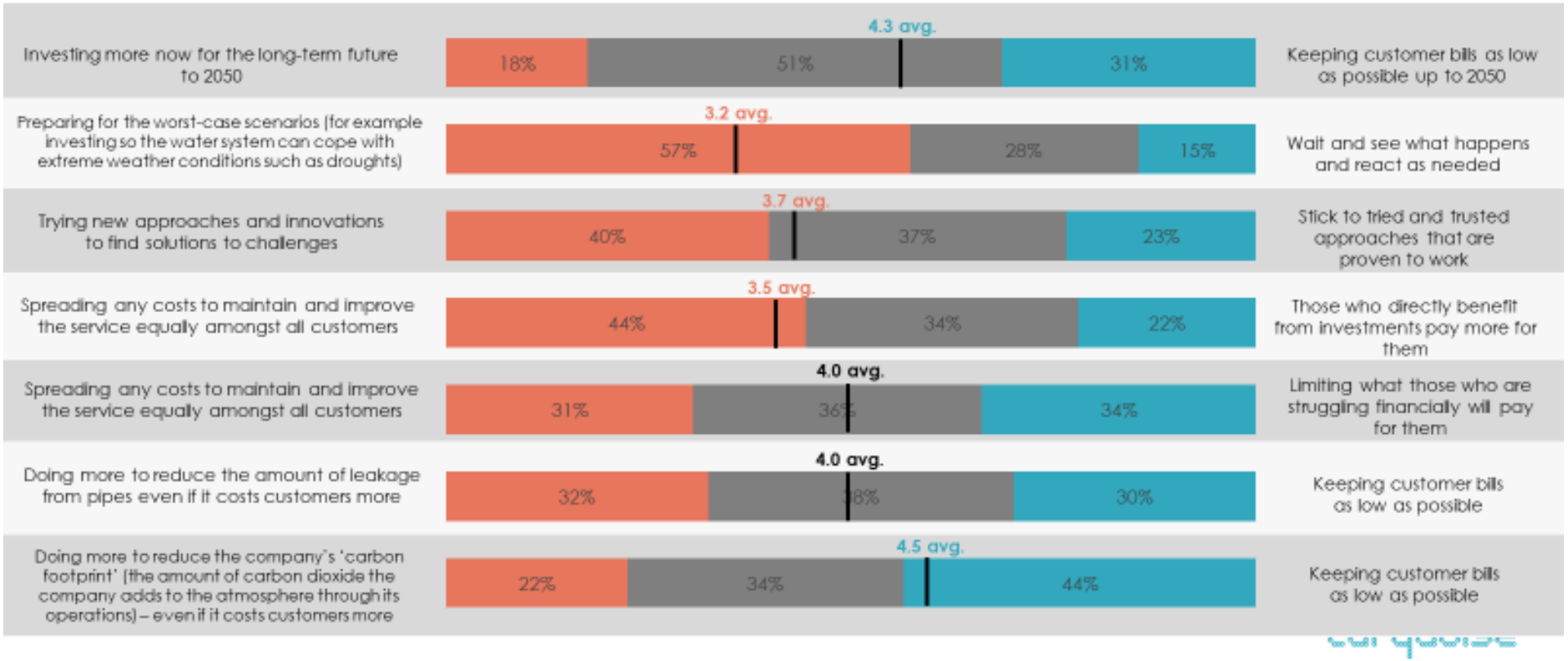
Participants were then given some background information regarding their water company and a summary of the challenges facing each in the future (the information slides used can be found in the questionnaire in the appendix). The aim of this information was to provide context before asking them to react to some of dilemmas SSC faces in its approach to planning long-term investments.

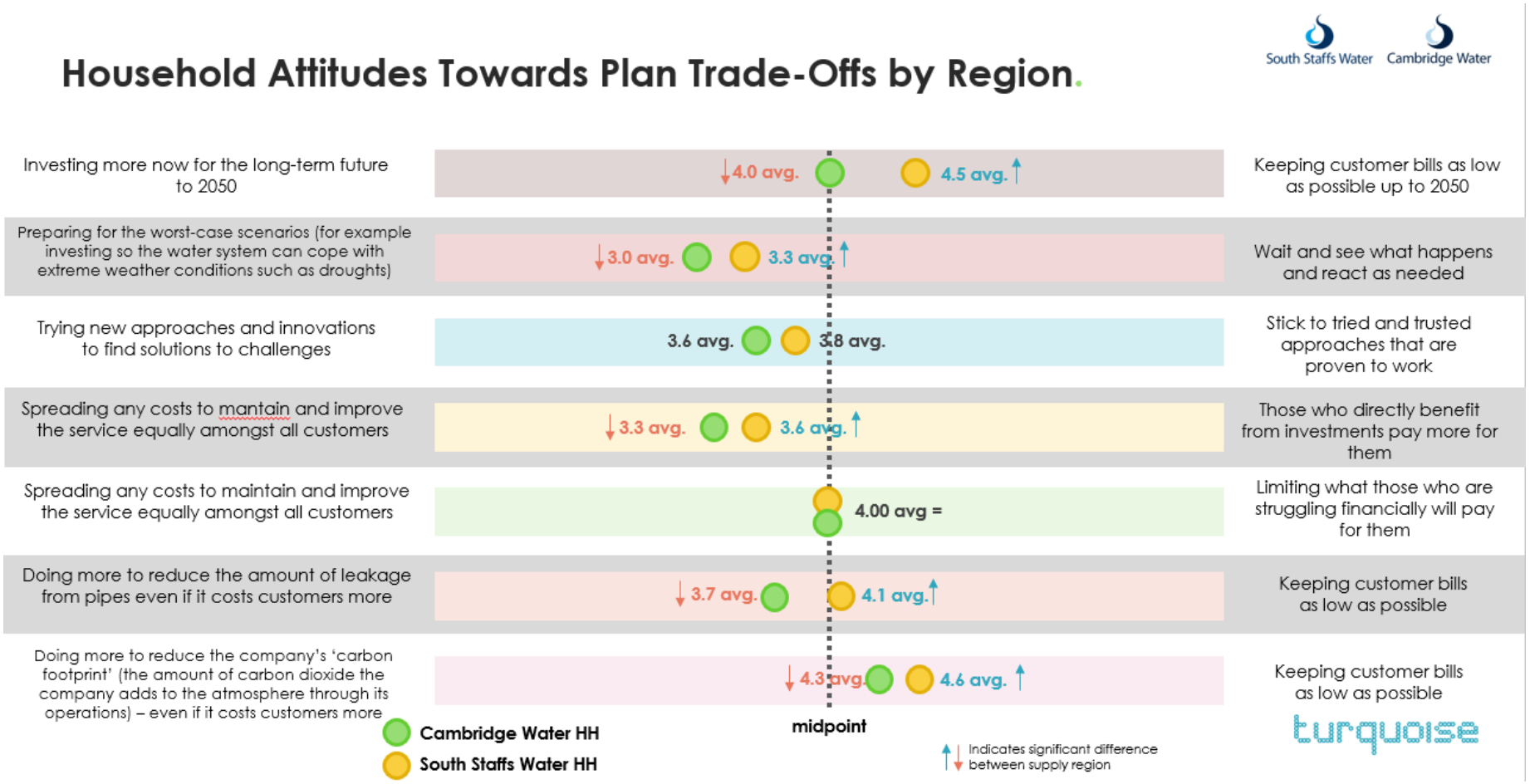
The greatest deviation from the midpoint between the two opposing statements was for 'preparing for the worst-case scenarios' over 'wait and see what happens and react as needed'. There was also significant preference for 'spreading any costs to maintain and improve the service equally amongst all customers' over 'those who directly benefit from investments pay more…'; 'trying new approaches and innovations to find solutions to challenges' over 'stick to tried and tested approaches that are proven to work'; and 'keeping customer bills as low as possible' over both 'investing now for the long-term future to 2050' and 'doing more to reduce the company's carbon footprint…-even if it costs customers more'.

Positively, the results overall were in line with what was captured in the qualitative workshops. The only dilemma for which there was a difference in the quantitative survey was the preference for 'limiting what those who are struggling financially will pay for them' over 'spreading any costs to maintain and improve the service equally amongst all customers.'

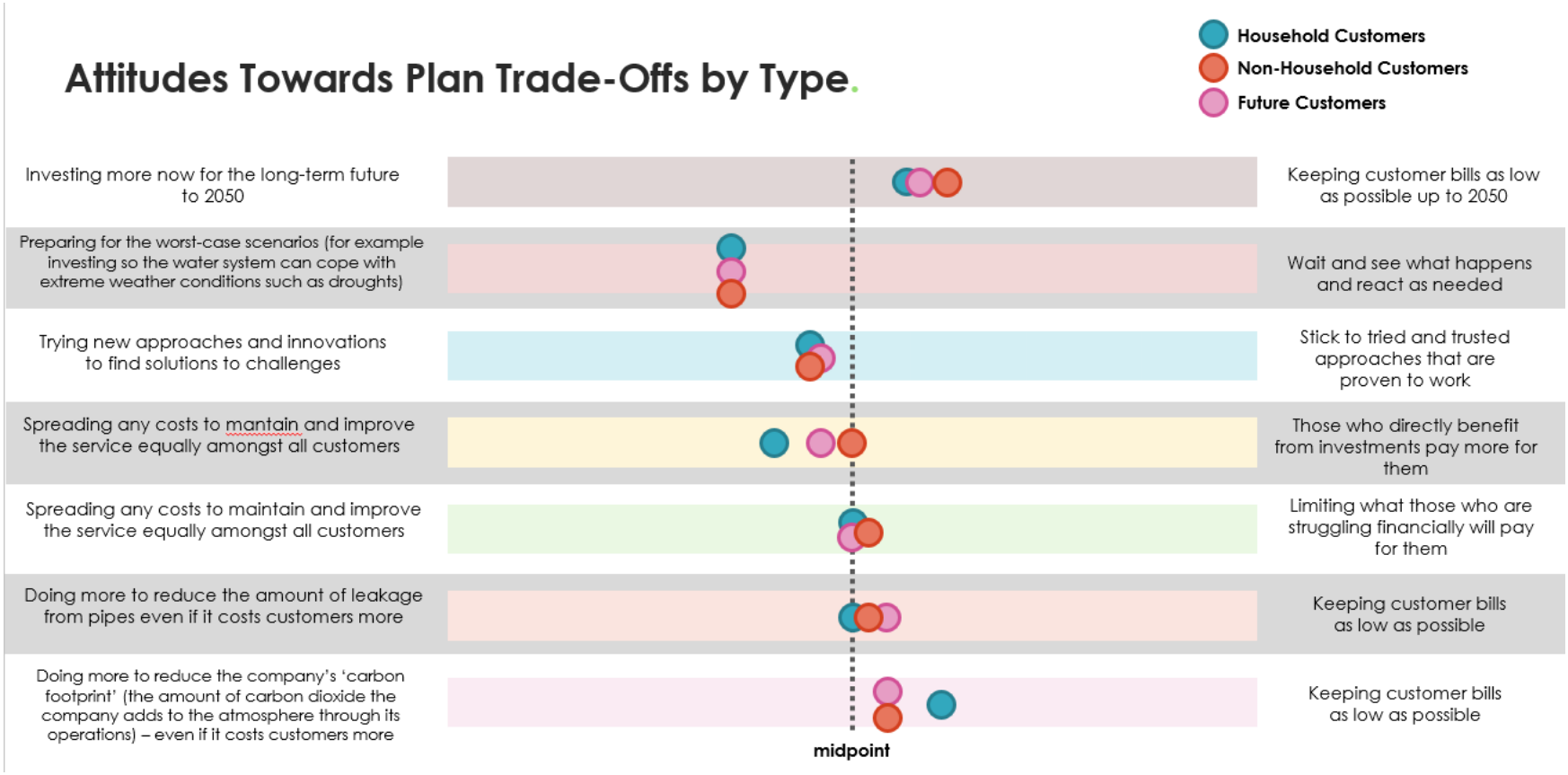
Household Attitudes Towards Plan Trade-Offs.

South Staffs Water Cambridge Water





There were several significant differences amongst household customers by supply region. South Staffs Water customers had a significant preference for keeping customer bills as low as possible compared with Cambridge Water customers. SSW customers also had a significantly stronger preference for 'waiting to see what happens and react as needed' over 'trying to find new approached and innovations to find solutions to challenges'; however, overall the preference in both regions is for the latter.



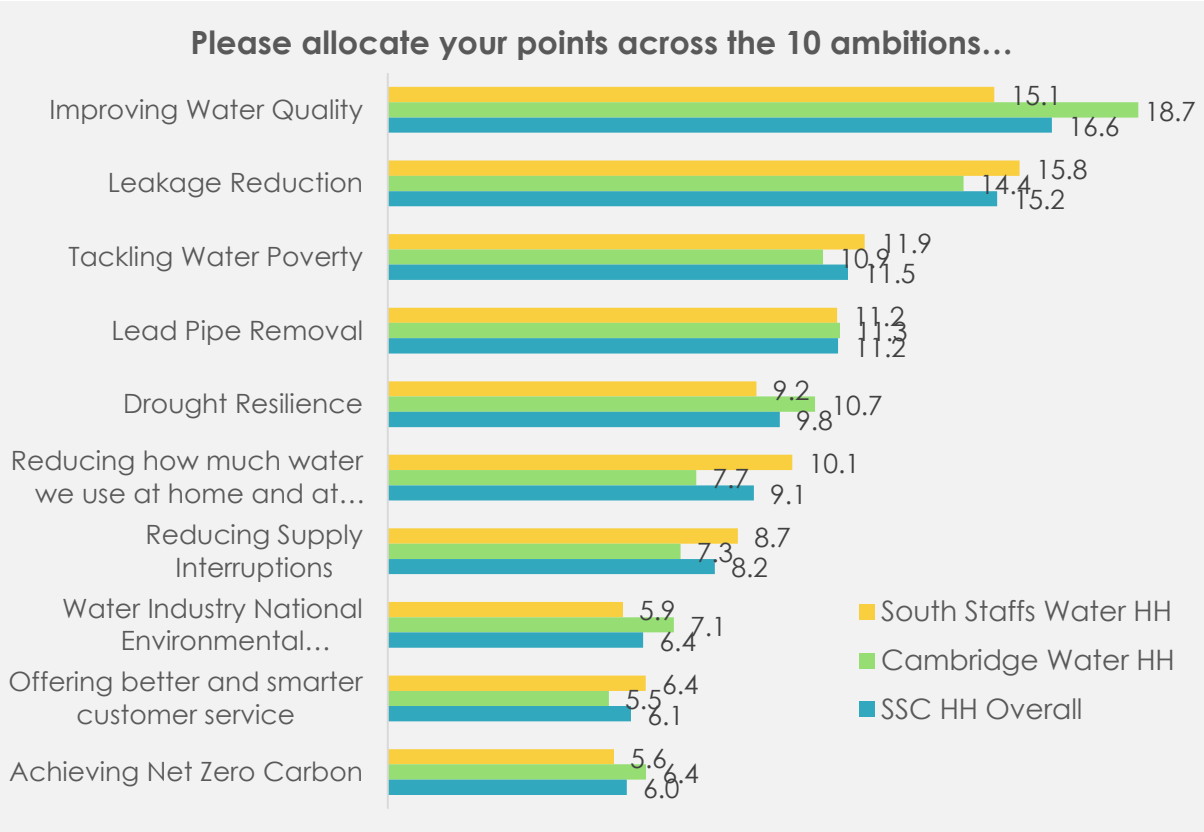
There were few differences by respondent type (HH, NHH, Future Customer), albeit not statistically significant given the relatively small NHH and Future Customer sub-samples. Firstly, both NHH and Future Customers were more in favour of 'those who directly benefit from investments pay more for them' over 'spreading costs to maintain and improve the service equally…' than HH customers. The other greatest difference was that both NHH and Future customers were more in favour of 'doing more to reduce the company's carbon footprint…' over 'keeping customer bills as low as possible' than HH customers; although the preference for all types was for 'keeping customer bills as low as possible'.

12.8 Ranking of Investment Ambitions

Respondents were next introduced to the 10 LTDS ambitions, the targets the company wants to achieve and the benefits of each. The summary table used can be seen in the survey – see the appendix. As with the workshop 'homework task' participants were asked to allocate 100 points across the ambitions, with the highest priority ambition for each participant receiving the most points and the least priority ambition the least points.

Firstly, when looking at points allocation against customer views with regards to the set of trade-offs in the previous section, a couple of trends emerge. Participants who favour keeping customer bills as low as possible to 2050 are more likely to allocate significantly more points to the water poverty ambition. On the other hand, participants who favour investing more now for the long-term future up to 2050 allocated significantly more points to leakage reduction, WINEP and Net Zero Carbon. Participants who favour spreading costs to maintain and improve the service equally amongst all customers also allocated significantly more points to leakage reduction.

Below are the average points allocated by region across the 10 ambitions.

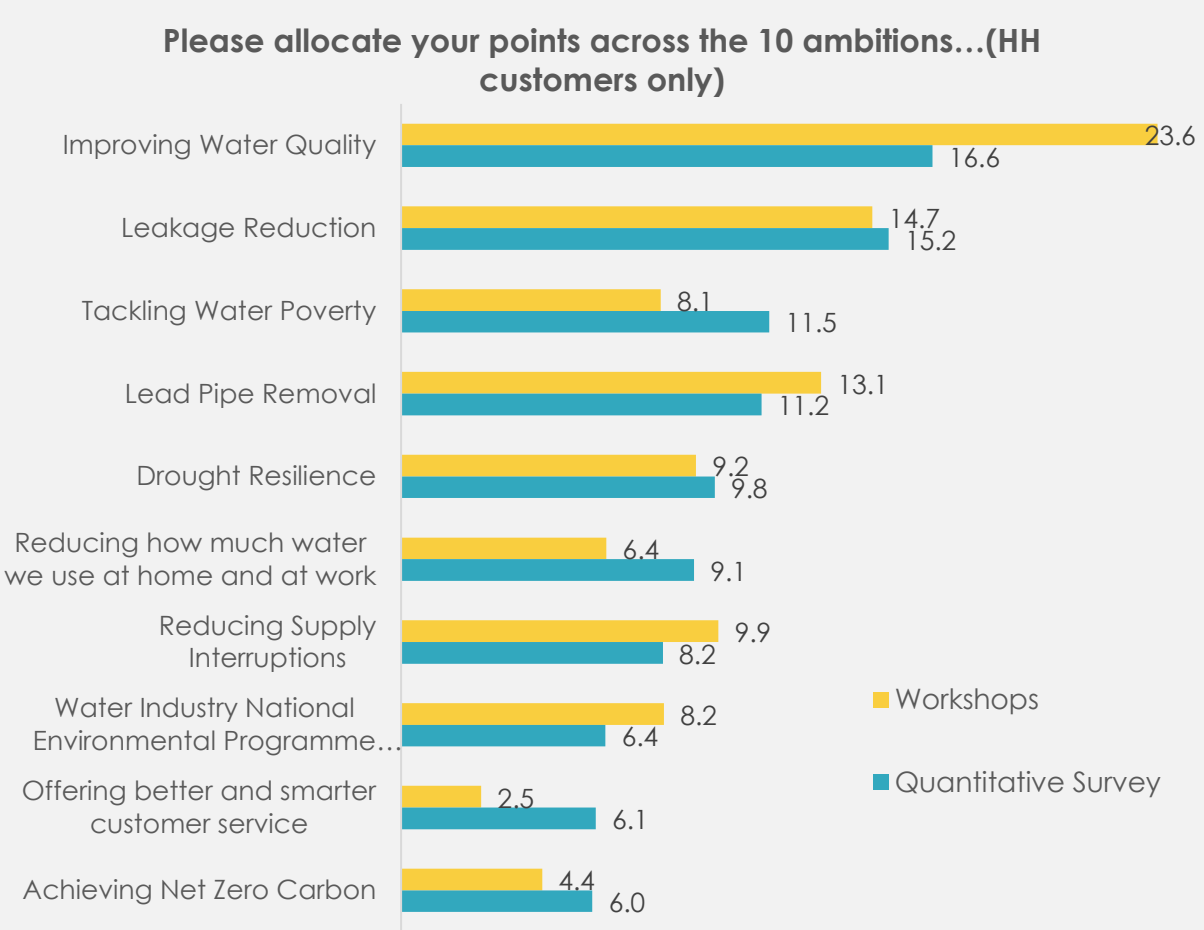


Encouragingly, the overall ranking of ambitions by household customers was similar to that observed in the reconvened workshops. The top five ambitions shown above were in the top 6 across all customers in the reconvened workshops.

The priority ambitions for household customers were improving water quality and leakage reduction with both averaging over 15 points across the SSC region. Improving water quality was a higher priority in the Cambridge Water region, although not significantly.

There was then a slight drop off the tackling water poverty, which was the third highest priority, followed by lead pipe removal and drought resilience.

The chart below provides a comparison between the average points allocation in the workshops and the quantitative survey amongst HH customers.



The overall trend in priorities was similar between the two research elements. Improving water quality, leakage reduction and lead pipe removal were towards the top in both, with improving water quality a clear top priority in the workshops. Tackling water poverty was assigned more importance by customers in the quantitative study than in the workshops; however, vulnerable

and low-income customers in the workshops did assign more importance to tackling water poverty (12.2 points avg.) than other groups. Given the more robust and representative customer sample in the quantitative survey, it is reasonable to also consider this ambition as a key customer priority.

Please allocate your points across the 10 ambitions	Household			Future Customers			Non-Household		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
Improving Water Quality	15.1	18.7	16.6	12.6	18.0	14.5	14.1	14.7	14.3
Leakage Reduction	15.8	14.4	15.2	10.9	11.4	11.0	9.5	10.9	9.9
Tackling Water Poverty	11.9	10.9	11.5	11.3	12.6	11.8	10.5	7.8	9.7
Lead Pipe Removal	11.2	11.3	11.2	6.7	6.7	6.7	8.2	7.9	8.1
Drought Resilience	9.2	10.7	9.8	10.5	8.8	9.9	10.4	6.1	9.1
Reducing how much water we use at home and at work	10.1	7.7	9.1	8.1	8.6	8.2	8.3	14.1	10.1
Reducing Supply Interruptions	8.7	7.3	8.2	10.7	7.2	9.5	10.5	12.1	10.9
Water Industry National Environmental Programme (WINEP) and biodiversity protection	5.9	7.1	6.4	7.6	9.3	8.2	9.3	6.1	8.3
Offering better and smarter customer service	6.4	5.5	6.1	9.9	4.9	8.2	9.0	8.6	8.9
Achieving Net Zero Carbon	5.6	6.4	6.0	11.8	12.5	12.1	10.2	11.7	10.7

Improving water quality was also the highest priority for future customers, followed by tackling water poverty which is in line with the greater focus on future prices / bills amongst this group. Interestingly, there was less priority put

on lead pipe removal in the quant survey than in the workshop, however, this was perhaps down to having less information than in the qualitative groups as the same was also true for non-household customers. Both future customers and non-household customers allocated more points, on average, to both 'offering a smarter customer service' and 'achieving net zero carbon' than household customers. Non-household customers ranked water quality as their highest priority, as with the other two audiences, but ranked reducing supply interruptions as their second highest priority – this is likely due to their organisation's reliance on water.

Please allocate your points across the 10 ambitions	Household			Future Customers			Non-Household		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
Improving Water Quality	15.1	18.7	16.6	12.6	18.0	14.5	14.1	14.7	14.3
Leakage Reduction	15.8	14.4	15.2	10.9	11.4	11.0	9.5	10.9	9.9
Tackling Water Poverty	11.9	10.9	11.5	11.3	12.6	11.8	10.5	7.8	9.7
Lead Pipe Removal	11.2	11.3	11.2	6.7	6.7	6.7	8.2	7.9	8.1
Drought Resilience	9.2	10.7	9.8	10.5	8.8	9.9	10.4	6.1	9.1
Reducing how much water we use at home and at work	10.1	7.7	9.1	8.1	8.6	8.2	8.3	14.1	10.1
Reducing Supply Interruptions	8.7	7.3	8.2	10.7	7.2	9.5	10.5	12.1	10.9
Water Industry National Environmental Programme (WINEP) and biodiversity protection	5.9	7.1	6.4	7.6	9.3	8.2	9.3	6.1	8.3
Offering better and smarter customer service	6.4	5.5	6.1	9.9	4.9	8.2	9.0	8.6	8.9
Achieving Net Zero Carbon	5.6	6.4	6.0	11.8	12.5	12.1	10.2	11.7	10.7

12.9 Why are Individual Ambitions Most Important?

Participants were asked a follow-up question to explain why they think that the ambition for which the allocated the most points is the most important to invest in.

Improving Water Quality

Please tell us why you think this ambition is the most important for SSC to invest in? Water Quality	Household (n=202)			Future Customers (n=16)			Non-Household (n=22)		
	SSW (n=105)	CAM (n=97)	SSC Overall	SSW (n=8)	CAM (n=8)	SSC Overall	SSW (n=15)	CAM (n=7)	SSC Overall
It's what we want / need / expect	42%	34%	39%	63%	13%	38%	33%	43%	36%
Health reasons	17%	31%	24%	38%	63%	50%	27%	29%	27%
So we can trust/drink what comes out of the tap	17%	17%	17%	0%	0%	0%	13%	0%	9%
It's currently low quality / Causes limescale	12%	14%	13%	0%	25%	13%	20%	29%	23%
Environmental reasons	7%	7%	7%	0%	0%	0%	7%	14%	9%
For future generations / It affects everyone	4%	9%	6%	0%	0%	0%	0%	0%	0%
Other	6%	1%	4%	13%	0%	6%	13%	0%	6%

The key reasons given for allocating the most points to the improving water quality ambition, amongst household customers, were that it is what is needed / expected and for health reasons – in a similar vein, 17% also cited 'so we can trust/drink what comes out of the tap'. Future customers gave similar responses, although put more emphasis on health reasons. Non-household customers had the same top two responses, however, a higher proportion of customers in this group cited 'it's currently low quality / causes limescale'.

'Ensuring quality is reflective of a health benefit and can therefore be justified in price increase while supporting households in achieving a healthy balance.'

- ***CAM HH Customer***

'So more people will drink good quality water therefore reducing buying plastic bottled water.'

- ***SSW HH Customer***

'Quality of water is and should be the foremost in dealing with priorities and I feel this is the most important issue.'

- ***SSW HH Customer***

'it is very important to improve water quality due to the fact that when a problem occurs, water quality will be already advanced to a good standard where problems like water leaks won't be as bad.'

- ***SSW NHH Customer***

'Because water has been notorious for poor quality in the region for quite some time.'

- ***CAM NHH Customer***

Leakage Reduction

Please tell us why you think this ambition is the most important for SSC to invest in? Leakage Reduction	Household (n=178)			Future Customers (n=9)			Non-Household (n=4)		
	SSW (n=107)	CAM (n=71)	SSC Overall	SSW (n=6)	CAM (n=3)	SSC Overall	SSW (n=3)	CAM (n=1)	SSC Overall
Reduce wastage	52%	53%	52%	17%	33%	22%	67%	0%	50%
Save money	20%	17%	19%	0%	0%	0%	33%	0%	25%
Prevent water shortages	16%	23%	19%	0%	0%	0%	33%	100%	50%
Environment	14%	3%	9%	0%	33%	11%	0%	0%	0%
Efficient / More water reaches customer	6%	6%	6%	17%	0%	11%	0%	0%	0%
Best overall option / Will resolve other issues	4%	0%	3%	17%	0%	11%	0%	0%	0%
Other	4%	9%	6%	50%	33%	44%	0%	0%	0

The key reason for viewing leakage reduction as the top priority was to reduce wastage (52% HH : 22% Future customers). Other reasons given included 'save money' and 'prevent water shortages.'

'If leakage was fixed early and old pipes replaced then I think .. money can be placed on other investments.'

- *CAM HH Customer*

'Reducing leakages must save money and make whole process more efficient, helping out all of the other elements raised.'

- *CAM HH Customer*

'Reduce leakage burst pipes etc more water will get to the end user rather than back down the drain to be processed for the second or third time when there is no need therefore spending money when there is no need to.'

- *SSW HH Customer*

'Reduce the amount of wasted water. Water supply leaks waste a huge amount more than average household waste.'

- *SSW HH Customer*

'If there is a shortage of water then leaks need to be sorted to eliminate waste of water this would also drive down dusters bills at the same time of there was less leaks.'

- *SSW NHH Customer*

Tackling Water Poverty

Please tell us why you think this ambition is the most important for SSC to invest in? Tackling Water Poverty	Household (n=117)			Future Customers (n=9)			Non-Household (n=8)		
	SSW (n=77)	CAM (n=40)	SSC Overall	SSW (n=7)	CAM (n=2)	SSC Overall	SSW (n=7)	CAM (n=1)	SSC Overall
Costs are increasing / Can't afford water bill	62%	51%	58%	57%	0%	44%	29%	0%	25%

Everyone needs water / Water is a basic right	28%	41%	32%	43%	50%	44%	57%	0%	50%
Help those in need	12%	13%	12%	0%	0%	0%	0%	0%	0%
Problem needs addressing	2%	9%	4%	0%	50%	11%	0%	0%	0%
For the future	4%	0%	2%	0%	0%	0%	14%	100%	25%
Other	2%	5%	3%	0%	0%	0%	0%	0%	0%

The key reasons for viewing tackling water poverty as the top priority was that 'costs are increasing / can't afford water bill' and/or that 'everyone needs water / water is a basic right'.

'There are many inequalities in society nowadays. It's very important to tackle water poverty as it affects the most vulnerable.'

- ***CAM HH Customer***

'It is vital that water is affordable for everyone and people are not forced to make a choice between water and energy.'

- ***SSW HH Customer***

'Water is a right that as many people as possible should have access to and not feel as if they are unable to afford. I think this is going to be a bigger issue in the future so it needs pro active efforts to tackle as soon as possible.'

- ***SSW HH Customer***

'With the cost of living getting worse people don't need increased bills.'

- ***SSW NHH Customer***

Lead Pipe Removal

Please tell us why you think this ambition is the most important for SSC to invest in? Lead Pipe Removal	Household (n=98)			Future Customers (n=5)			Non-Household (n=5)		
	SSW (n=60)	CAM (n=38)	SSC Overall	SSW (n=4)	CAM (n=1)	SSC Overall	SSW (n=3)	CAM (n=2)	SSC Overall
Health / Poisonous / Dangerous	45%↓	81%↑	59%	50%	100%	60%	67%	0%	25%
Old / Need replacing	20%	13%	17%	0%	0%	0%	0%	0%	50%
It is expensive to remove the lead in the water	26%↑	2%↓	17%	0%	0%	0%	0%	0%	0%
To ensure water is clean	18%	12%	15%	25%	0%	20%	0%	0%	0%
Environment / Sustainability	8%	10%	9%	0%	0%	0%	0%	0%	25%
Other	1%	0%	1%	25%	0%	20%	30%	100%	0%

↑↓ Indicates significant difference by region

The key reasons for viewing lead pipe removal as the top priority centred around perceived health implications – this was significantly more likely to be cited by Cambridge Water customers. Whilst also the main reason for South Staffs Water customers, customers in this region were significantly more likely to mention the perceived cost of removing lead from the water.

'Lead pipes are extremely harmful for people's general health, particularly young children and babies.'

- ***CAM HH Customer***

'Treating the water comes at a cost so the soon the lead pipes are removed the better. It may come at a cost to remove them but in the long term it will work out.'

- *SSW HH Customer*

'This is important to me, We should not have lead pipes delivering water to households.'

- *SSW HH Customer*

Drought Resilience

Please tell us why you think this ambition is the most important for SSC to invest in? Drought Resilience	Household (n=97)			Future Customers (n=5)			Non-Household (n=0)		
	SSW (n=49)	CAM (n=49)	SSC Overall	SSW (n=4)	CAM (n=1)	SSC Overall	SSW (n=7)	CAM (n=0)	SSC Overall
Climate change / Environment	39%	30%	35%	25%	0%	20%	57%	n/a	57%
Need water / To maintain supply	31%	28%	30%	50%	0%	40%	14%	n/a	14%
Prevent droughts	29%	26%	27%	0%	100%	20%	0%	n/a	0%
Future-proofing	16%	25%	21%	0%	100%	20%	14%	n/a	14%
Protect water sources	4%	4%	4%	0%	0%	0%	0%	n/a	0%
Other	3%	11%	7%	25%	0%	20%	14%	n/a	14%

The key reasons for viewing drought resilience as the top priority was due to climate change and the changing environment, coupled with the need to maintain supply and prevent droughts.

'We are more likely to have to ration our water due to climate change so need to deal with it rather than make excuses.'

- ***CAM HH Customer***

'If we are to believe global warming predictions (I do) then it is vital we start to build resilience now. Without that all the other ambitions become irrelevant..'

- ***SSW HH Customer***

'If we don't aim for this, we are in danger of revisiting standpipes, service interruptions etc. This will have a huge impact.'

- ***SSW HH Customer***

'Due to climate change, we are starting to experience hotter summers here in the UK. 50 years from now, who knows what it will be like, so we need to ensure that we are able to cope with the hotter temperatures and still provide water to homes in these conditions.'

- ***SSW NHH Customer***

'Drought resilience is very important, it just shows that with SS my family and business won't need to worry about a drought or any other form of natural disaster that may affect our water supply. I don't mind paying extra just to pay towards that.'

- ***SSW NHH Customer***

Reducing how much water we use at home and at work

Please tell us why you think this ambition is the most important for SSC to invest in? How much water we use at home and work	Household (n=64)			Future Customers (n=3)			Non-Household (n=9)		
	SSW (n=46)	CAM (n=18)	SSC Overall	SSW (n=2)	CAM (n=1)	SSC Overall	SSW (n=3)	CAM (n=6)	SSC Overall
To reduce unnecessary usage / waste	63%	35%	55%	100%	0%	67%	67%	17%	33%
To reduce costs	18%	30%	21%	0%	0%	0%	33%	17%	22%
To conserve water	15%	13%	14%	0%	100%	33%	33%	17%	22%
To protect the environment / planet	10%	0%	8%	0%	0%	0%	33%	17%	22%
We need water / Water consumption is high	2%	20%	7%	0%	0%	0%	0%	50%	33%
Other	8%	18%	11%	0%	0%	0%	0%	0%	0%

The key reasons for wanting to reduce the amount of water we use at home and work to be the top priority was wanting to reduce unnecessary wastage/usage and to reduce costs.

'This has a knock-on effect to many of the other ambitions. It will reduce bills, reduce amount of water taken from aquifers, etc.'

- ***CAM HH Customer***

'To try and limit the amount of water we use in order to help protect the environment but also reduce costs.''

- *SSW HH Customer*

'On a daily basis there is so much water wasted just from leaving raps running while we wipe our kitchen sides for example. If only people were more aware of the importance of waste.'

- *SSW HH Customer*

'Times are changing and population is moving more this way, with good connections to London. Also with global warming we need to focus on drought protection.'

- *CAM NHH Customer*

'I think ambition is a really big part of this spruce and business because without ambition your business won't be able to sport like a fruitless seed (macbeth quote).'

- *SSW NHH Customer*

Reducing Supply Interruptions

Please tell us why you think this ambition is the most important for SSC to invest in? Reducing Supply Interruptions	Household (n=49)			Future Customers (n=8)			Non-Household (n=11)		
	SSW (n=29)	CAM (n=20)	SSC Overall	SSW (n=4)	CAM (n=4)	SSC Overall	SSW (n=6)	CAM (n=5)	SSC Overall
It's what we want / need / expect	51%	51%	51%	25%	50%	38%	50%	40%	45%
To prevent disruption	28%	32%	30%	75%	25%	50%	33%	80%	55%
Help customers	15%	23%	18%	0%	0%	0%	0%	0%	0%

Prevent wasting water	4%	0%	3%	0%	0%	0%	0%	0%	0%
Other	12%	13%	12%	0%	25%	13%	17%	0%	9%

The key reasons for viewing reducing supply interruptions as the key priority were that it is what customers need/expect and the desire to prevent disruption.

'Because you need water to clean, drink, and wash in. Running out of water will make everyone panic and fill their bath tubs, interrupting supply even more.'

- ***CAM HH Customer***

'Water is always needed and unless told well in advance of supply interruptions it can affect people's health and well-being.''

- ***SSW HH Customer***

'So we always have clean running water. That's the backbone of a civilised country.'

- ***SSW HH Customer***

'I can't live without water or run my business.'

- ***CAM NHH Customer***

'No issues with getting water to our customers and having a constant clean flow.'

- ***SSW NHH Customer***

Water Industry National Environmental Programme (WINEP) and biodiversity protection

Please tell us why you think this ambition is the most important for SSC to invest in? WINEP	Household (n=53)			Future Customers (n=9)			Non-Household (n=8)		
	SSW (n=21)	CAM (n=32)	SSC Overall	SSW (n=6)	CAM (n=3)	SSC Overall	SSW (n=7)	CAM (n=1)	SSC Overall
To protect the environment / nature	75%	76%	76%	75%	67%	71%	29%	100%	38%
Future-proofing	23%	19%	21%	0%	0%	0%	14%	0%	13%
To preserve / protect water sources	0%	15%	9%	25%	33%	29%	14%	0%	13%
It is important	7%	4%	5%	25%	0%	14%	29%	0%	25%
Other	0%	0%	0%	0%	0%	0%	14%	0%	13%

The majority reason for viewing WINEP as the main priority investment was the desire to protect the environment / nature, around a fifth of those who allocated the most points to the WINEP ambition also saw investment in this are as 'future-proofing'.

'It is important that the environment is protected from over abstraction and the way we use water - it should be embedded into all future decision making.'

- ***CAM HH Customer***

'I care about the environment, and the pollution we create causes adverse effects far beyond we can imagine and no cares.''

- ***SSW HH Customer***

'It's important to reduce our reliance of natural water sources and take care of our wildlife.'

- *SSW HH Customer*

'The water industry national environment programme (WINEP) is the programme of work that water companies in England are required to do to fulfil their obligations arising from environmental legislation and UK government policy.'

- *SSW NHH Customer*

'Water companies should take responsibility for aquatic environments.'

- *CAM NHH Customer*

Offering better and smarter customer service

Please tell us why you think this ambition is the most important for SSC to invest in? Offering better and smarter customer service	Household (n=40)			Future Customers (n=7)			Non-Household (n=7)		
	SSW (n=28)	CAM (n=12)	SSC Overall	SSW (n=6)	CAM (n=1)	SSC Overall	SSW (n=4)	CAM (n=3)	SSC Overall
Good customer service is required	46%	30%	41%	50%	0%	43%	25%	33%	29%
Customer satisfaction / trust	15%	20%	17%	17%	100%	29%	50%	33%	43%
Currently poor	6%	13%	8%	17%	0%	14%	0%	0%	0%
Improve service for the future / Move with times	7%	8%	8%	0%	0%	0%	0%	0%	0%
Other	34%	28%	32%	17%	0%	14%	25%	33%	29%

The main reasons given for viewing better and smarter customer service as the priority investment ambition was the view that good customer service is required, and that it leads to customer satisfaction and trust. There was also a minority view that customer service is currently poor and, therefore, requires investment.

'It's the 21st century and technology can help us understand the customer service queries easier.'

- ***CAM HH Customer***

'Technology moves on, it's important to keep up and develop better customer service.''

- ***SSW HH Customer***

'To deal with issues quickly.'

- ***CAM NHH Customer***

Achieving Net Zero Carbon

Please tell us why you think this ambition is the most important for SSC to invest in? Achieving Net Carbon Zero	Household (n=57)			Future Customers (n=11)			Non-Household (n=11)		
	SSW (n=32)	CAM (n=25)	SSC Overall	SSW (n=7)	CAM (n=4)	SSC Overall	SSW (n=9)	CAM (n=4)	SSC Overall
Climate change / Global warming	27%	27%	27%	29%	0%	18%	33%	0%	23%
Most important / affects other categories	22%	25%	23%	14%	25%	18%	22%	0%	15%
Save the planet / environment	32%	9%	22%	43%	50%	45%	33%	75%	46%
For the future	4%	20%	11%	0%	25%	9%	11%	25%	15%

Other	16%	20%	18%	14%	0%	9%	0%	0%	0%

The main reasons given for seeing achieving net zero carbon as the main priority for investment was due to environmental concerns – impacts of climate change, the knock-on impact on other ambitions, and the need to 'save the planet/environment',

'Most of Cambridge Water region will be under water by 2050 if we don't reduce global warming.'

- ***CAM HH Customer***

'This is important as climate change requires urgent action so more investments should be made in achieving net zero.''

- ***SSW HH Customer***

'International imperative that affects everything else. If we fail to achieve net zero it will be impossible to prevent droughts, maintain water quality and everything else.'

- ***SSW HH Customer***

'This is the ultimate direction of green environment, and this is what we ultimately need to achieve.'

- ***CAM NHH Customer***

'To help the planet and contribute to society's common goals.'

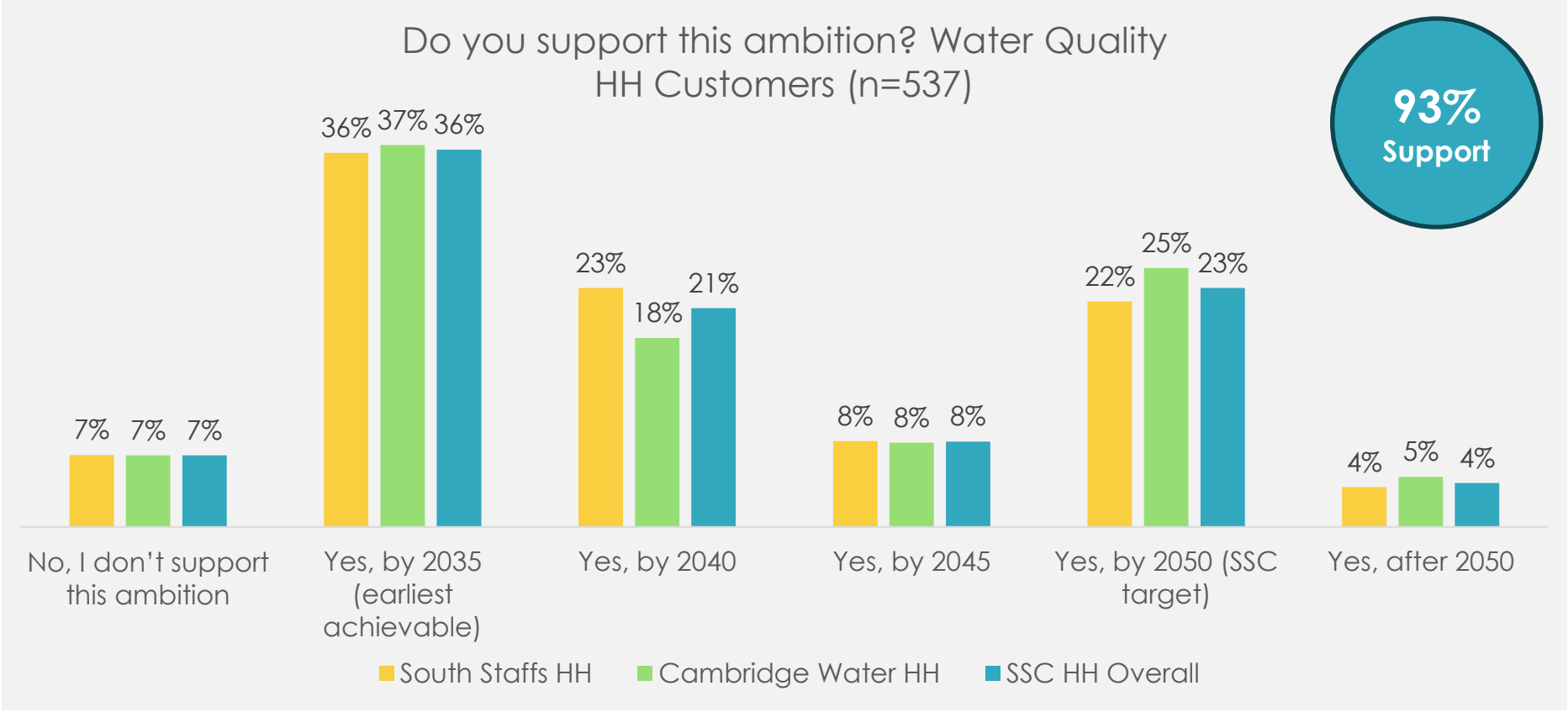
- ***SSW NHH Customer***

12.10 In-Depth Exploration of Key Ambitions

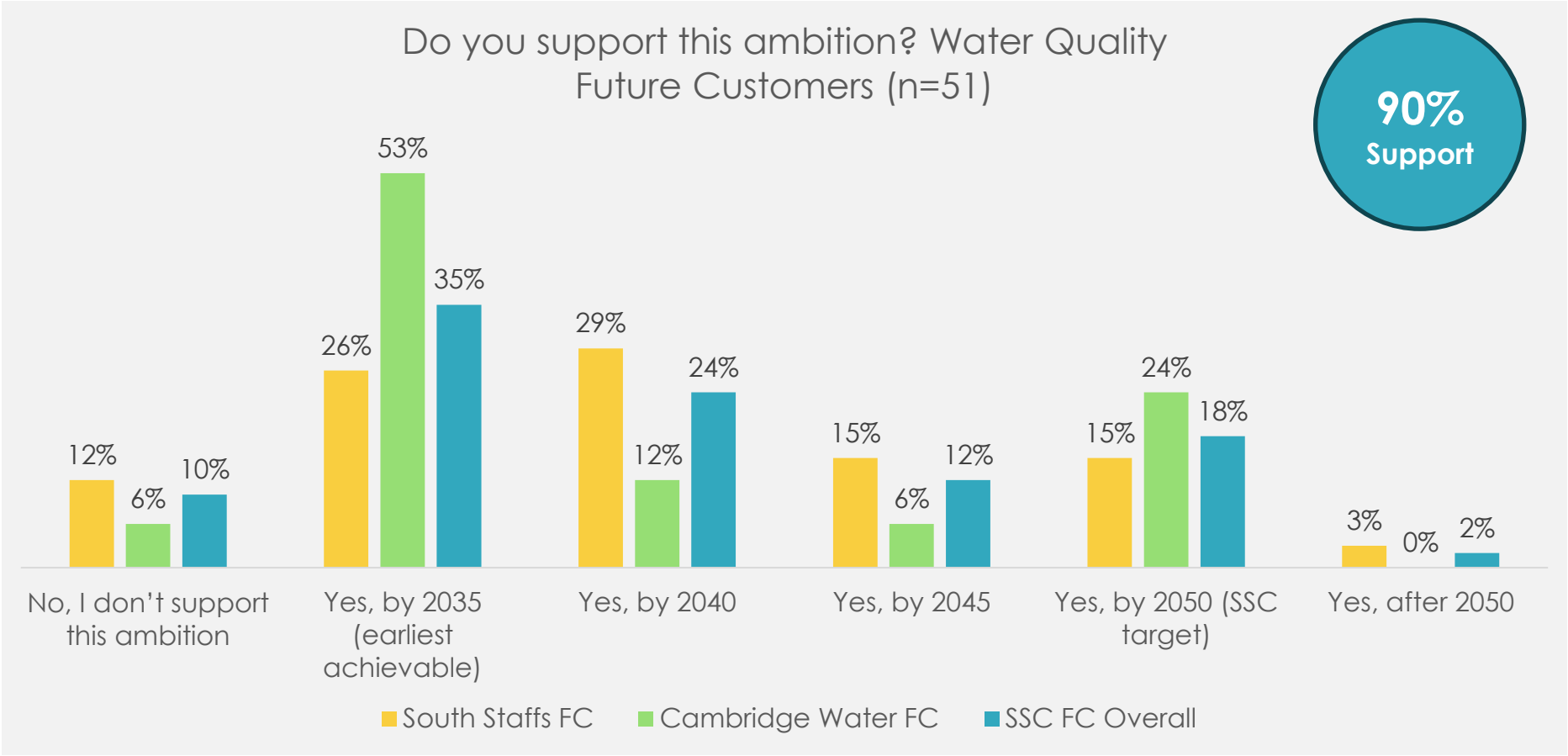
Following the ranked ambitions, participants were given more information to read on five of the ambitions where customers have the most choice: water quality, leakage reduction, lead pipe removal, supply interruptions and WINEP. Due to the length of the survey, each participant was only shown three of the five ambitions at random.

Water Quality

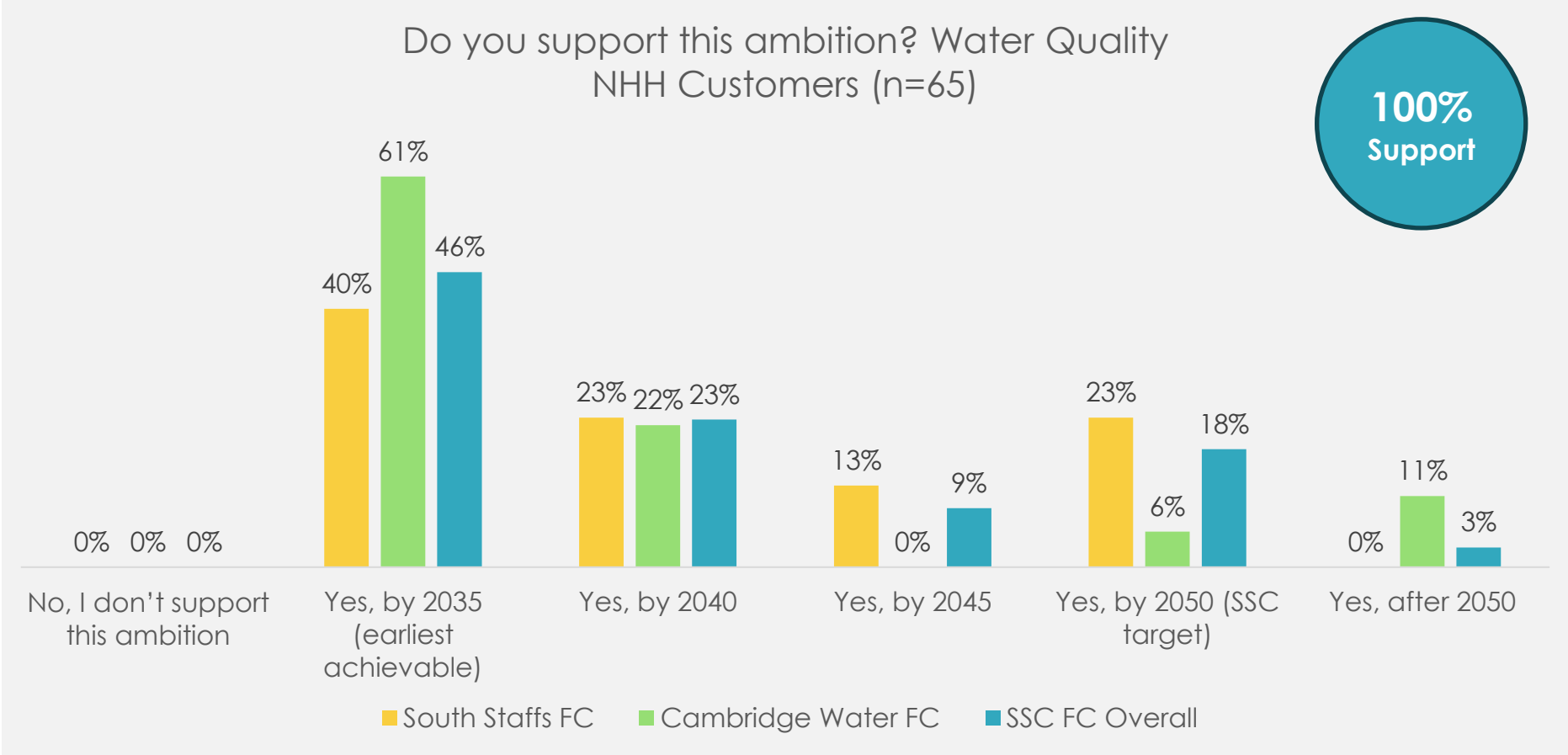
Note that this is the South Staffs Water HH stimulus slide. Both the Cambridge Water and NHH versions can be found in the questionnaires in the appendix.



Positively, 93% of household customers support the water quality ambitions. Just over a third of customers (36%) would like to see the ambition achieved by the earliest possible date (2035) – in fact, two-thirds of household customers surveyed would like to see this ambition achieved before the company target of 2050. These results were true across both regions, with very similar results recorded in both regions.



The vast majority (90%) of future customers also support the water quality ambition. On average, Cambridge Water future customers would like to see the ambition achieved sooner than South Staffs Water customers; however, overall 71% of future customers would like to see the ambition achieved before the SSC target of 2050.



All non-household customers surveyed in-depth on water quality support the ambition. Just under half of those (46%) would like to see the ambition achieved by the earliest possible date of 2035.

Should the company spend more effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment so the water needs less treatment to make it safe, or increase spending faster to upgrade treatment works as quickly as possible to the latest treatments? Or look to invest in both areas equally?	Household			Future Customers			Non-Household		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
1. More effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment	37%	33%	35%	41%	41%	41%	49%	44%	48%
2. Increase spending to upgrade treatment works as quickly as possible to the latest treatments	14%	13%	14%	32%	6%	24%	32%	17%	28%
3. Invest in both areas equally	49%	54%	51%	26%	53%	35%	19%	39%	25%

Respondents were then asked which type of water quality investment they would prefer – more effort working with landowners/farmers/industry to reduce contaminants, increase spending faster to upgrade treatment works, or both equally. There were some differences observed by respondent type: household customers prefer investing in both areas equally, but also for more effort working with landowners/farmers/industry over spending on treatment works. Both future customers and non-household customers have a preference for more effort working with landowners/farmers/industry.

Please tell us more below about your views for this ambition and what was behind your choices. Water Quality	Household (n=524)			Future Customers (n=31)		
	SSW (n=323)	CAM (n=201)	SSC Overall	SSW (n=20)	CAM (n=11)	SSC Overall
Reduce pollution / Reduce contamination	31%	35%	33%	10%	27%	16%
To keep water quality high / safe	23%	25%	24%	20%	18%	19%
Both / all targets are important	16%	17%	16%	5%	18%	10%
To reduce costs	12%	9%	11%	45%	0%	29%
Investment needed	8%	14%	11%	0%	9%	3%
To protect water supply	5%	7%	5%	0%	0%	0%
Needs to happen quickly	6%	4%	5%	5%	9%	6%
Future proofing	6%	1%	4%	10%	0%	6%
Targets need to be realistic	3%	6%	4%	0%	9%	3%
Tackle problem at source / Prevent, not cure	3%	2%	2%	0%	18%	6%

Participants were then asked to give further feedback on what was behind their choices. The main themes were naturally around reducing pollution, contamination and keeping the water safe and of high quality. There was also some mention of reducing costs, particularly for SSW future customers (not significant at small sub-sample level).

Verbatim Reasons for Support of Water Quality Ambition	Verbatim Reasons for Not Supporting the Water Quality Ambition
Water companies do receive a lot of criticism and for the right reasons however a lot of non water companies and farmers can also warrant closer inspection it isn't always the water company. Dirty polluters are out there.' ***SSW HH Customer***	*Complaints are a tiny percentage of users but water contamination could affect many more users without them knowing. Complaints are not a good measure of water contamination. Concentrate the spend on reducing contamination not on reducing complaints.'* ***SSW HH Customer***
The way things are going financially, I think we should do the work present rather than later if possible.' ***SSW HH Customer***	*The current percentage of 1.6% is small that it's not worth the cost/effort for small incremental gains.'* ***CAM HH Customer***
I have been a Cambridge Water customer for over 40 years and have never experienced problems with water quality. I have also never heard of anyone having these types of problem with their water supply. I am therefore not sure how big a problem this is. It is important that the company works with other stakeholders to reduce any potential problems with water quality that may not be immediately apparent to customers such as (insecticide Pollution from farms).' ***CAM HH Customer***	*I don't support this as it's a subjective measure of water quality (depends on people calling, and there might be problems other than their water supply). I would support Cambridge Water maintaining or improving objective measures of water quality. I also think the government is best placed to mandate limits on environmental contaminants that could reach water sources to avoid a patchwork of regulations, which could drive inequities in terms of access to safe drinking water.'* ***CAM HH Customer***
I think the later date means more through can go into making sure the plan is effective and will work. Increasing pending means higher prices which with the cost of living currently would not be affordable.' ***SSW Future Customer***	
At present, the three factors of land owners/farmers/enterprises have already accounted for 40% or more of the total environmental water pollution, which is a huge number. If we can start from this aspect, the overall benefit will be qualitative leap.' ***CAM NHH Customer***	

Leakage Reduction

Leakage Reduction – industry ambition and now legal requirement in the latest Environment Act

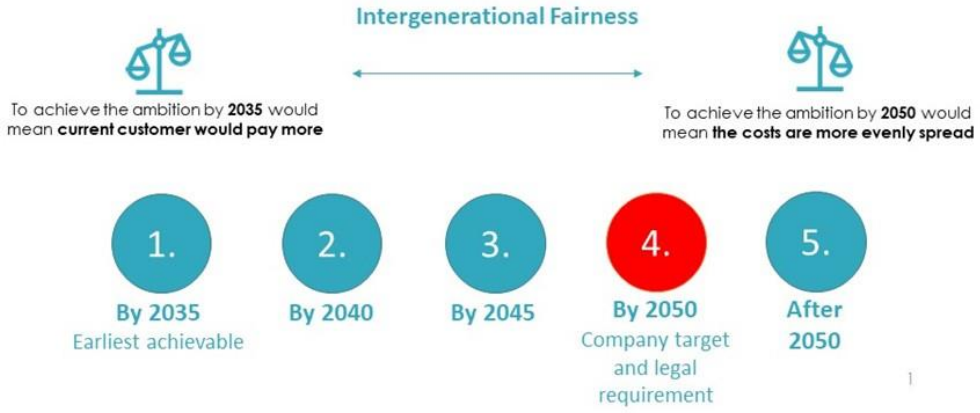
Ambition	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from 2017/18 figure)
Benefits	Saving **37 million litres per day by 2050** (or around 185,000 full bathtubs) by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and faster rate of renewing old pipes. Less wasted water means less needs to be taken from the water environment, and less needs to be treated and pumped to customers, which helps reduce costs over time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Invest now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall and reduce the amount of disruption (e.g. roadworks) caused to communities that happen when fixing leaks.

Even though it's a legal target, do you support this ambition? Do you want it achieved sooner?



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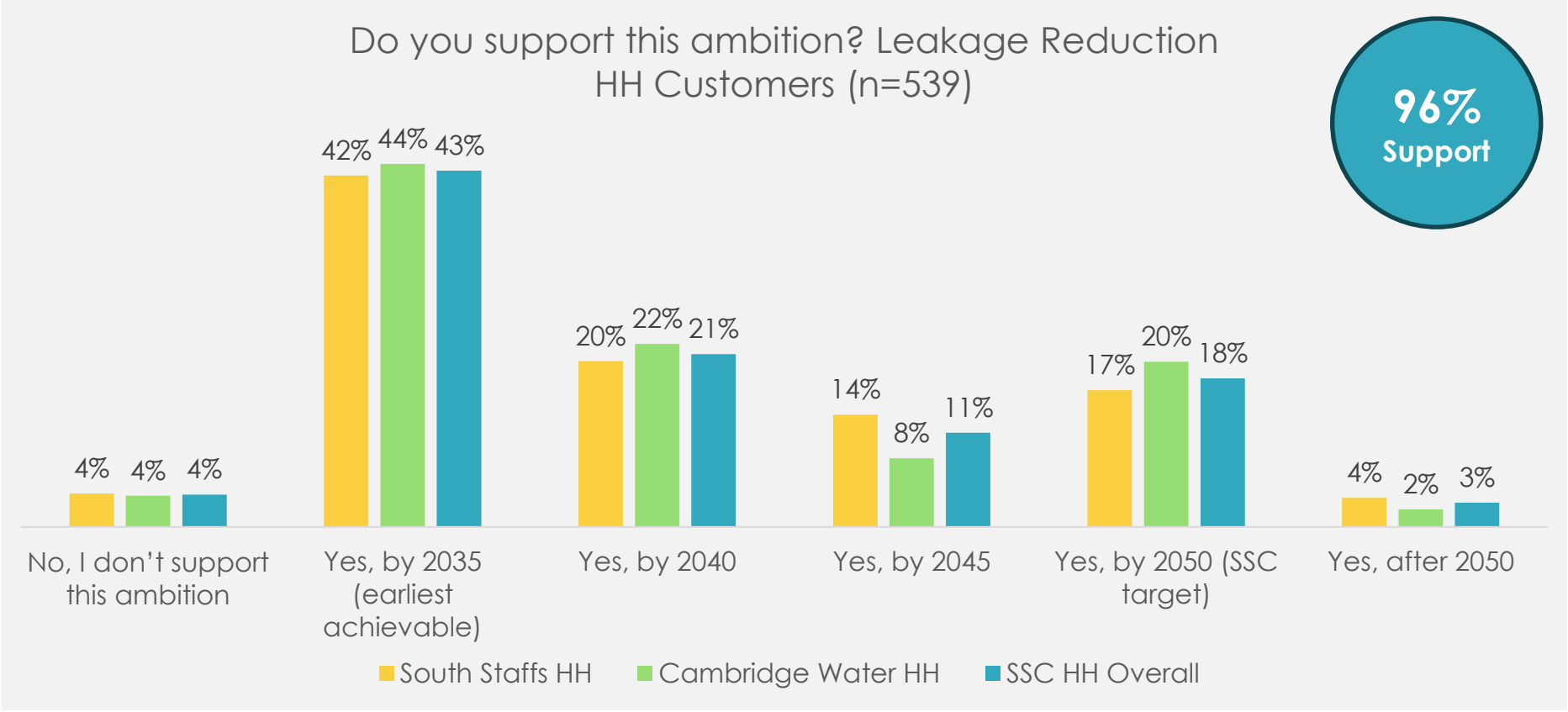
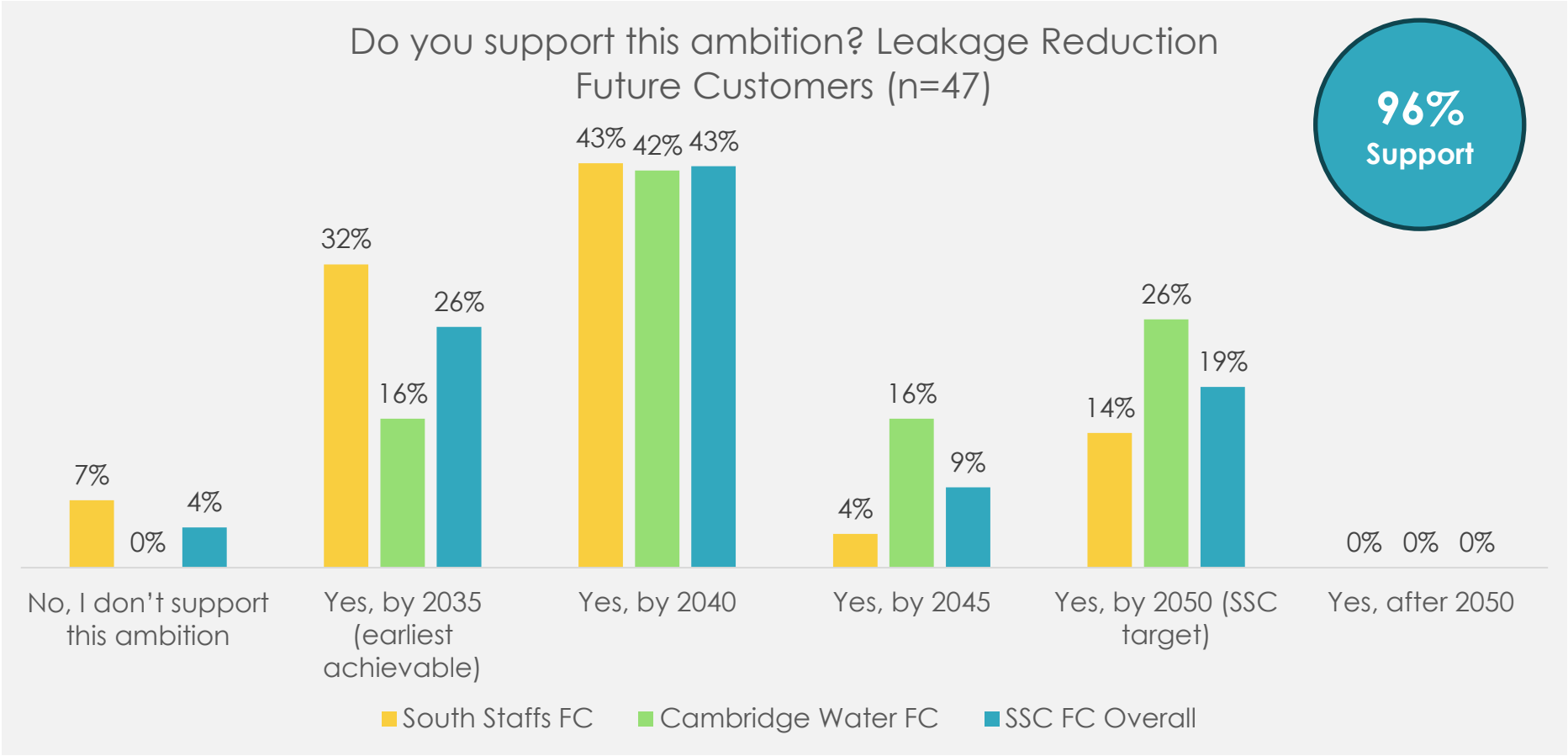
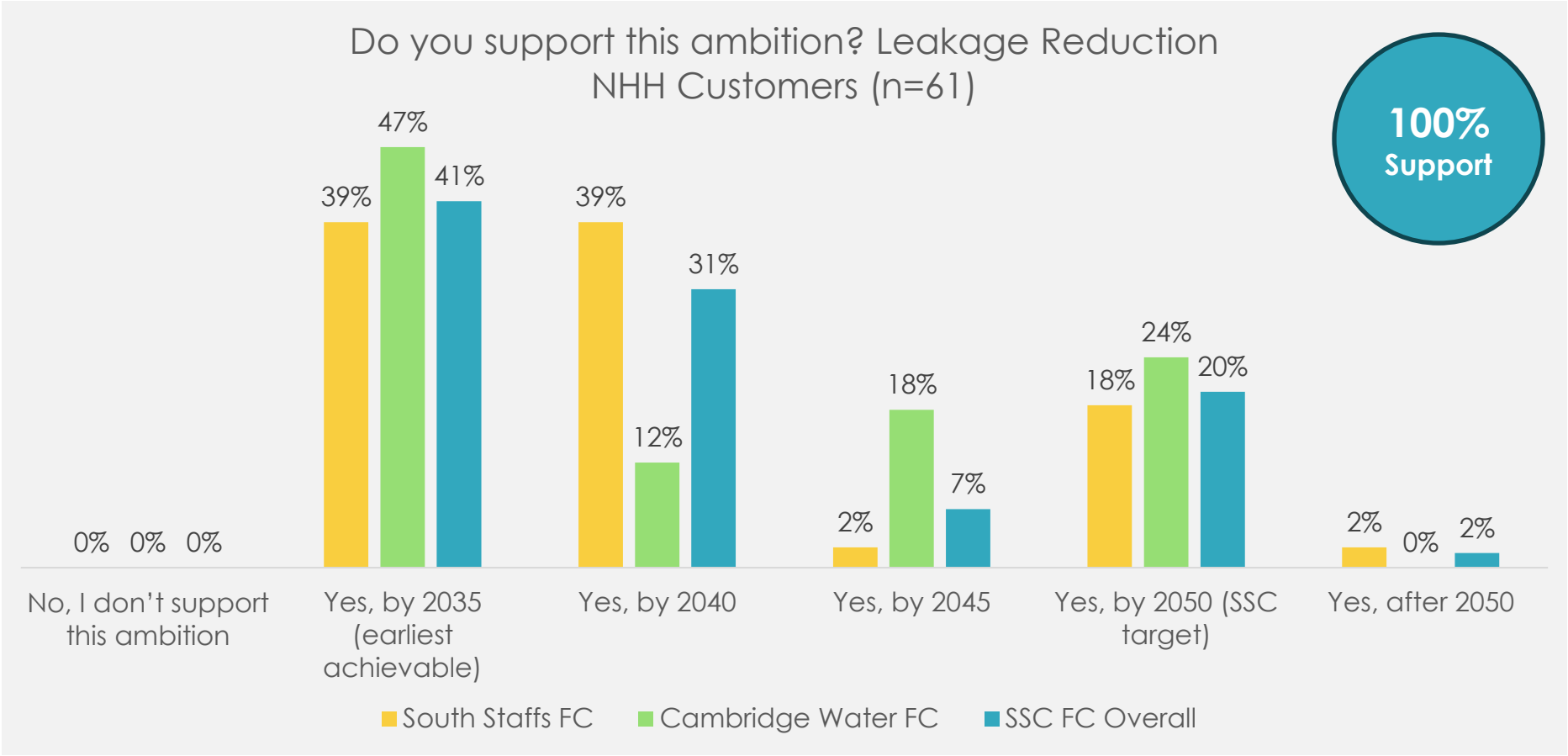


Positively, 96% of household customers support the leakage reduction ambition. A slightly higher proportion than for water quality (43%) would like to see the ambition achieved by the earliest possible date (2035) – in fact, three-quarters (75%) of household customers surveyed would like to see this ambition achieved before the company target of 2050. These results were true across both regions, with very similar results recorded in both regions.



The vast majority (96%) of future customers also support the leakage reduction ambition. The most popular response was to have this ambition achieved by 2040 with slightly less appetite for this ambition to be achieved by the earliest possible date amongst future customers.



All non-household customers surveyed in-depth on leakage reduction support the ambition. Two-fifths of those (41%) would like to see the ambition achieved by the earliest possible date of 2035.

Do you think SSC should invest in greater leakage reduction now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall?	Household			Future Customers			Non-Household		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
1. Invest now	69%	74%	71%	50%	37%	45%	70%	65%	69%
2. Wait for innovation	31%	26%	29%	50%	63%	55%	30%	35%	31%

Respondents were then asked whether they think that the company should invest in greater leakage reduction now, or to wait for new leak detection and repair technologies to develop. Both household and non-household customers displayed a preference for investing now (71% HH : 69% NHH) – this was also true across both supply regions. Future customers, on the other hand, displayed a slight preference for wating for innovation.

Please tell us more below about your views for this ambition and what was behind your choices. Leakage Reduction	Household (n=537)			Future Customers (n=33)		
	SSW (n=309)	CAM (n=228)	SSC Overall	SSW (n=19)	CAM (n=14)	SSC Overall
Take action sooner rather than waiting	20%	28%	23%	21%	7%	15%
To reduce costs	20%	18%	19%	21%	14%	18%
To reduce wastage	19%	18%	19%	11%	21%	15%
Investment is needed	18%	18%	18%	26%	7%	18%
Future-proofing	10%	6%	8%	11%	14%	12%
Wait for innovation	10%	5%	8%	21%	21%	21%
It's my opinion / It is important	6%	6%	6%	0%	14%	6%
Don't prioritise shareholders & dividend payments / Use profits	5%	3%	4%	5%	0%	3%
Targets need to be realistic	2%	4%	3%	0%	7%	3%
The other ambitions / all ambitions are important	3%	2%	3%	0%	14%	6%
People can't afford it / Shouldn't pay	2%	2%	2%	5%	0%	3%

In terms of leakage reduction, there were four main themes: firstly, that SSC should take action sooner rather than waiting and that investment in the area is needed. Also, the desire to reduce wastage and costs.

Verbatim Reasons for Support of Leakage Reduction Ambition	Verbatim Reasons for Not Supporting the Leakage Reduction Ambition
'I think the 2050 target sounds reasonable. But I do not really think "waiting for innovation" will amount to much more than delaying the work..' ***CAM HH Customer***	*'Well it's better to invest now as If something was to happen then where fully prepared for it.'* ***SSW HH Customer***
'leakage reduction would cost more but save customers more money in the long term on their annual bills. Wait for innovation if it is not far away as if they invest now it may end up unsuccessful or cost more for the customers.' ***SSW HH Customer***	*'All very lacking and less ambitious. I live in the here and now. 2050 is just too far away. Need to do more now and immediately.'* ***CAM HH Customer***
'The more water we can save the better for everyone. Efforts to mitigate the effect of drought would be helped by saving water. Reducing wastage is also good for customers wallets plus the environment.' ***CAM HH Customer***	*'Given current daily loss a quicker fix is required to create a substantial water saving.'* ***CAM HH Customer***
'I would not want investment to happen only for additional work to have to be done later if installing new technology after already upgrading existing infrastructure so I think a balance between the earliest possible date and gov target should be met.' ***SSW Future Customer***	
'It is important to deal with leakages now and also continue to develop initiatives for the future.' ***SSW NHH Customer***	

Lead Pipe Removal

Lead Pipe Removal – industry target of 2050.

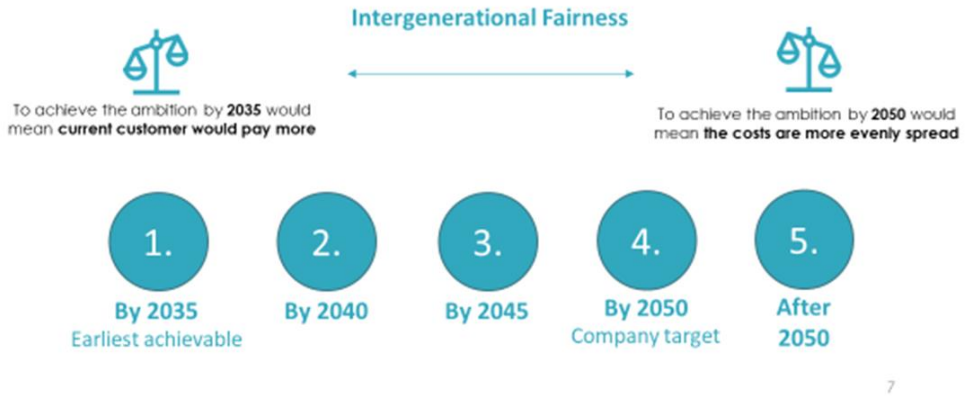
Ambition	To remove all lead pipes **by 2050**.
Benefits	Removing all lead pipes means no longer needing to treat the water supply with chemical additives to make it safe and any the very small risk of lead pipe causing health problems if it were to be badly damaged. Opportunity to address other issues while work takes place – such as situations where customers share supply pipes which can then be split to tackle low pressures problems, and being able to fit water meters.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forwards?

Innovation
Should the company invest now or wait for new technologies to avoid digging up the ground to replace pipes which will help reduce disruption to customers.

Should the company pursue this ambition, and if so, by when?



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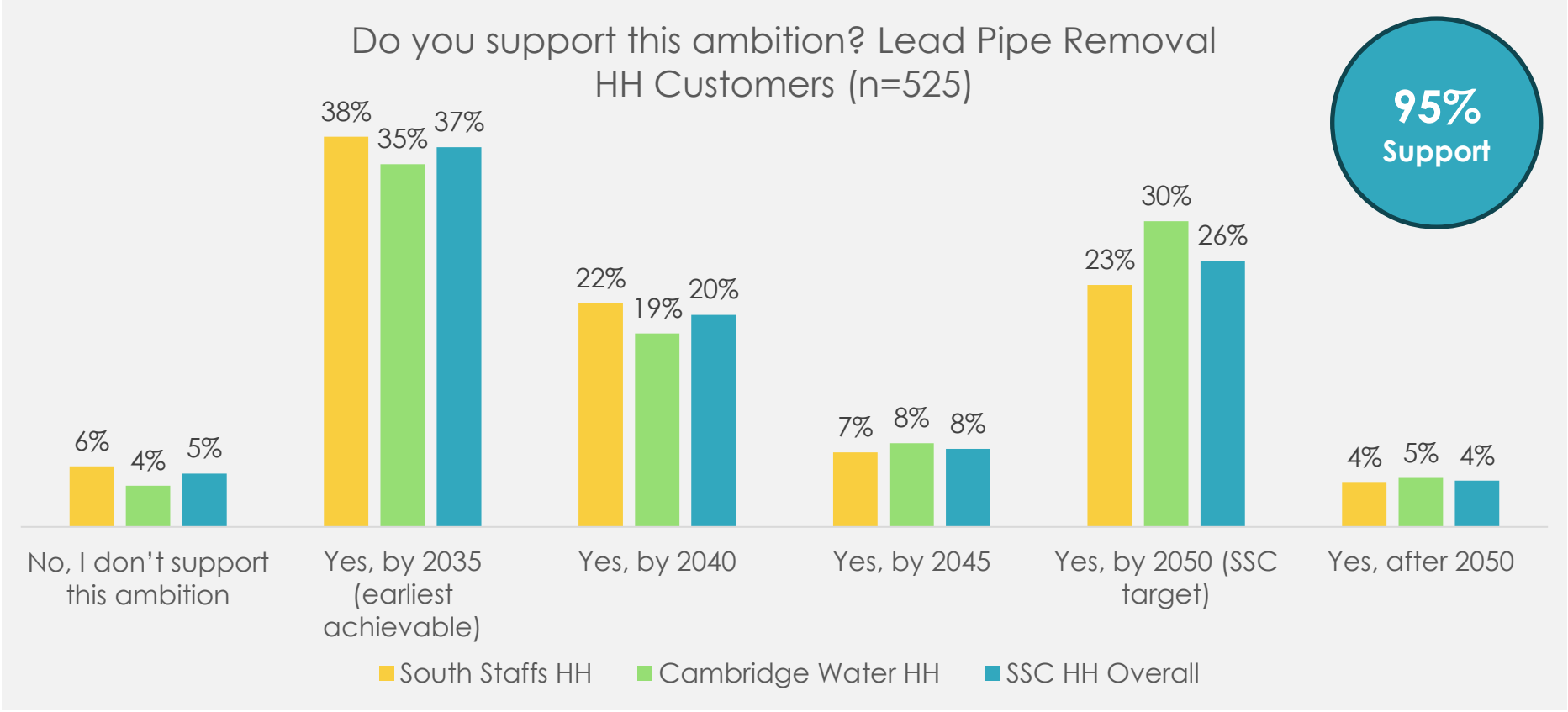
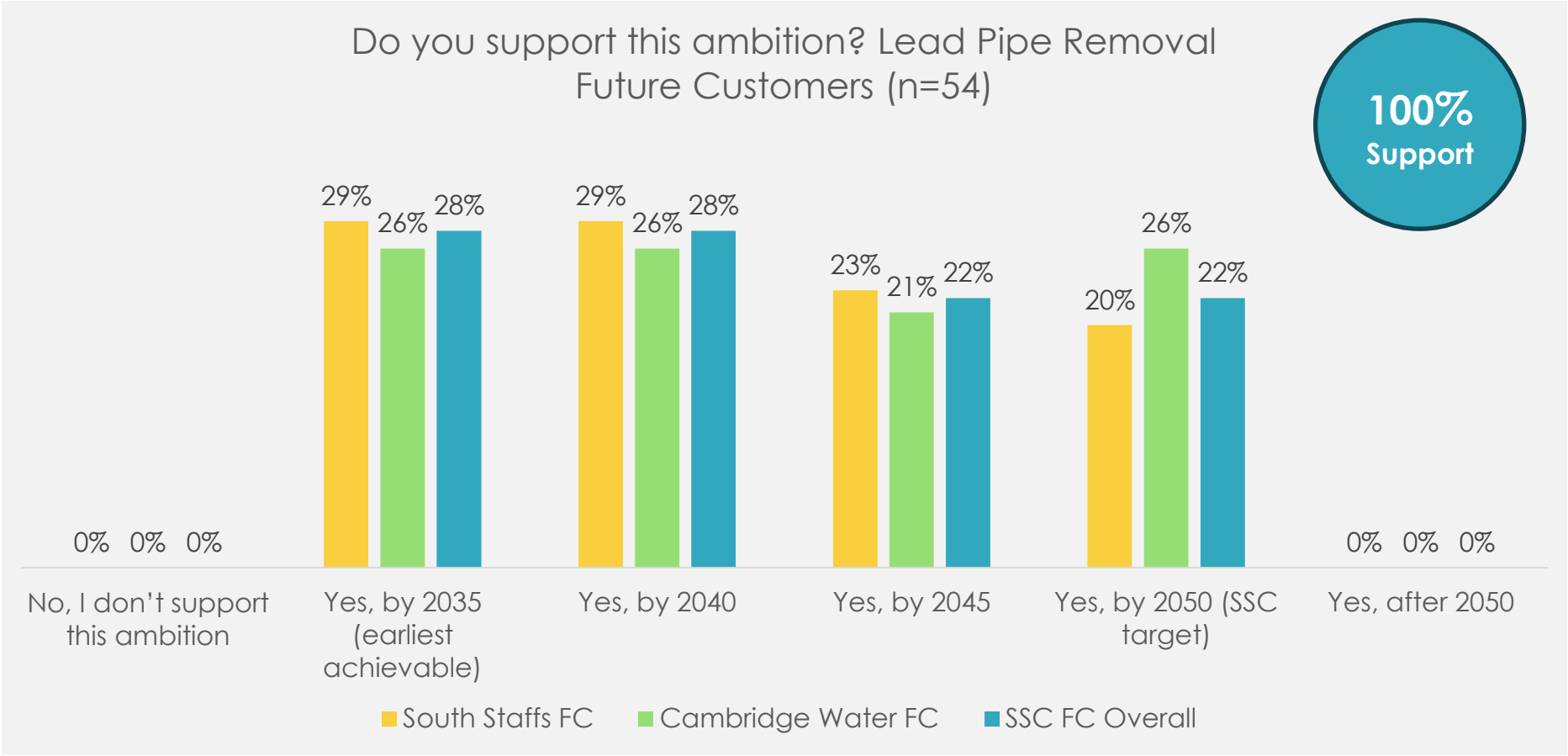
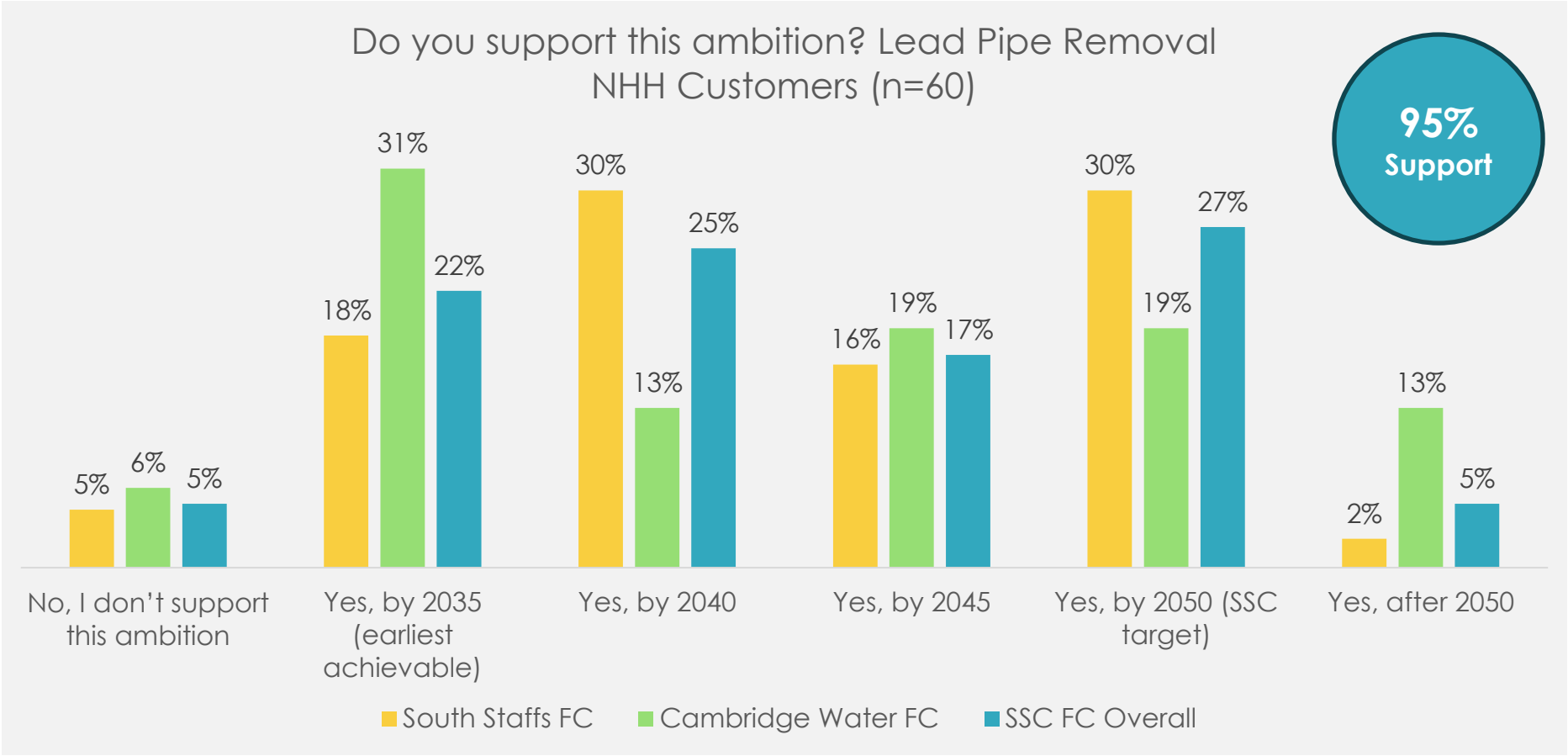
Note that this is the South Staffs Water HH stimulus slide. Both the Cambridge Water and NHH versions can be found in the questionnaires in the appendix.



Overall, 95% of household customers support the lead pipe removal ambitions. Just over a third of household customers (37%) would like to see the ambition achieved by the earliest possible date (2035). Two-thirds (65%) of household customers surveyed would like to see this ambition achieved before the company target of 2050. These results were true across both regions, with very similar results recorded in both regions.



All future customers surveyed in-depth on the lead pipe removal ambition supported it. There was more of a split over when they would like to see the ambition achieved; however, 78% would like to see the ambition achieved earlier than the SSC target of 2050.



95% of non-household customers surveyed in-depth on lead pipe removal supported the ambition. As with future customers, there was a fairly even split over when they would like the ambition achieved by; however, 63% would like to see the ambition achieved before the SSC target of 2050.

Approximately, 1 in 4 properties in the area have a lead supply pipe(s). Do you think these customers should pay the majority of costs to replace them or should the cost be spread evenly across all customers? It can cost over £1,000 to replace a lead pipe to a single property.	Household			Future Customers			Non-Household		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
1. Customers at the 1 in 4 properties who have a lead supply pipe(s) should pay the majority of costs to replace them	21%	24%	22%	37%	26%	33%	57%	75%	62%
2. The costs should be spread evenly across all customers	79%	76%	78%	63%	74%	67%	43%	25%	38%

Respondents were then asked whether they think that the customers in the 1 in 4 properties with a lead supply pipe should pay for the cost of replacement, or whether the costs should be spread evenly across all customers. Both household (78%) and future customers (67%) had a strong preference for spreading the costs evenly across all customers. Non-household customers, in contrast, favour customers with a lead supply pipe paying for the cost of replacement.

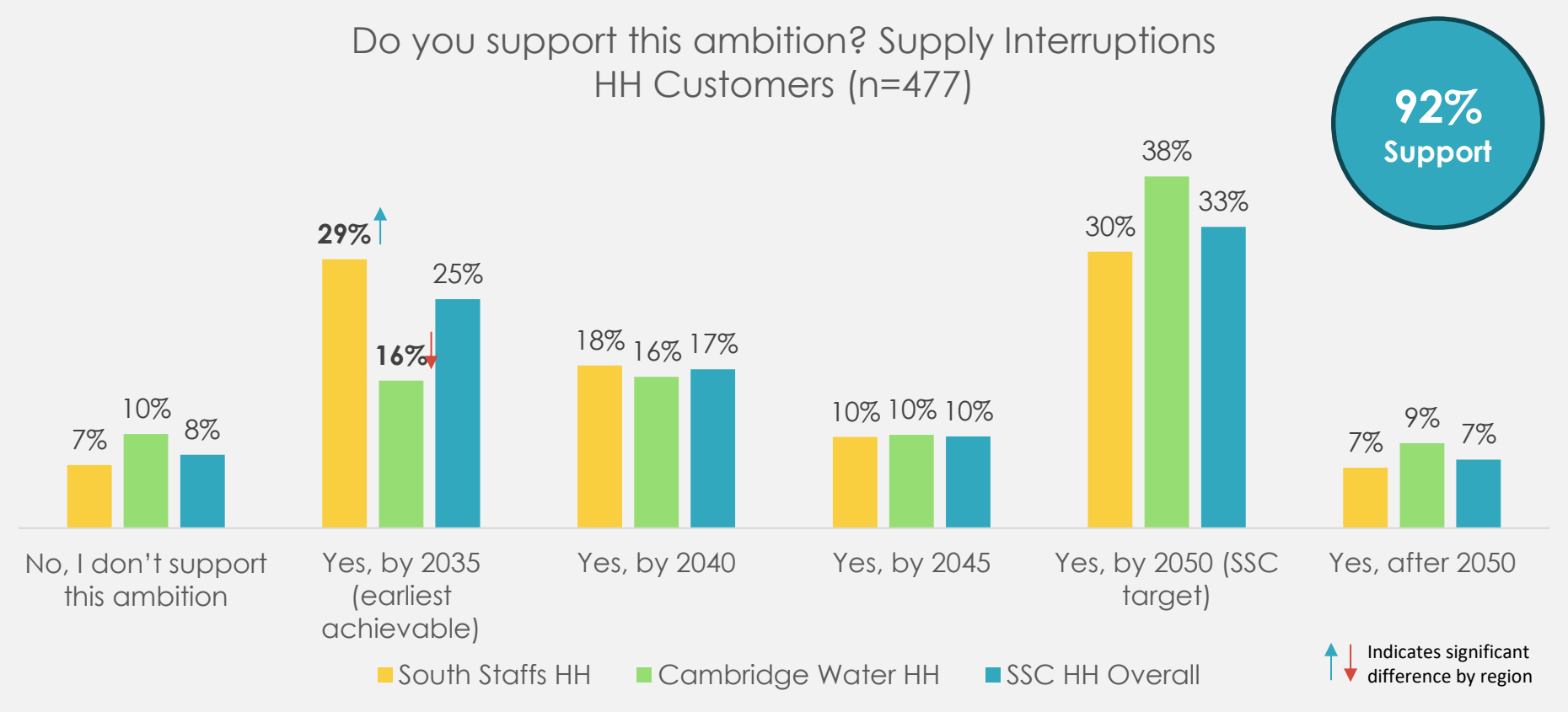
Please tell us more below about your views for this ambition and what was behind your choices. Lead Pipe Removal	Household (n=516)			Future Customers (n=38)		
	SSW (n=322)	CAM (n=194)	SSC Overall	SSW (n=24)	CAM (n=14)	SSC Overall
Cost should be shared / spread over time	30%	33%	31%	25%	29%	26%
Customer / property owners shouldn't pay / Not their fault	23%	29%	26%	29%	36%	32%
Health / Safety	12%	11%	12%	13%	14%	13%
Property owners / whoever installed lead pipes should pay	11%	13%	12%	13%	14%	13%
Too expensive / people can't afford	9%	9%	9%	13%	0%	8%
Govt should pay / SSC should pay/ Reduce shareholder payments	10%	6%	8%	4%	0%	3%
Take action now	5%	3%	4%	0%	0%	0%
It's my opinion / It is important	5%	3%	4%	13%	0%	8%

In terms of lead pipe removal, the majority of participants focussed on the cost of replacing the pipes with the feeling that the costs should be shared and spread over time. A quarter of HH, and a third of future customers, mentioning that they don't believe that customers who have a lead pipe should pay.

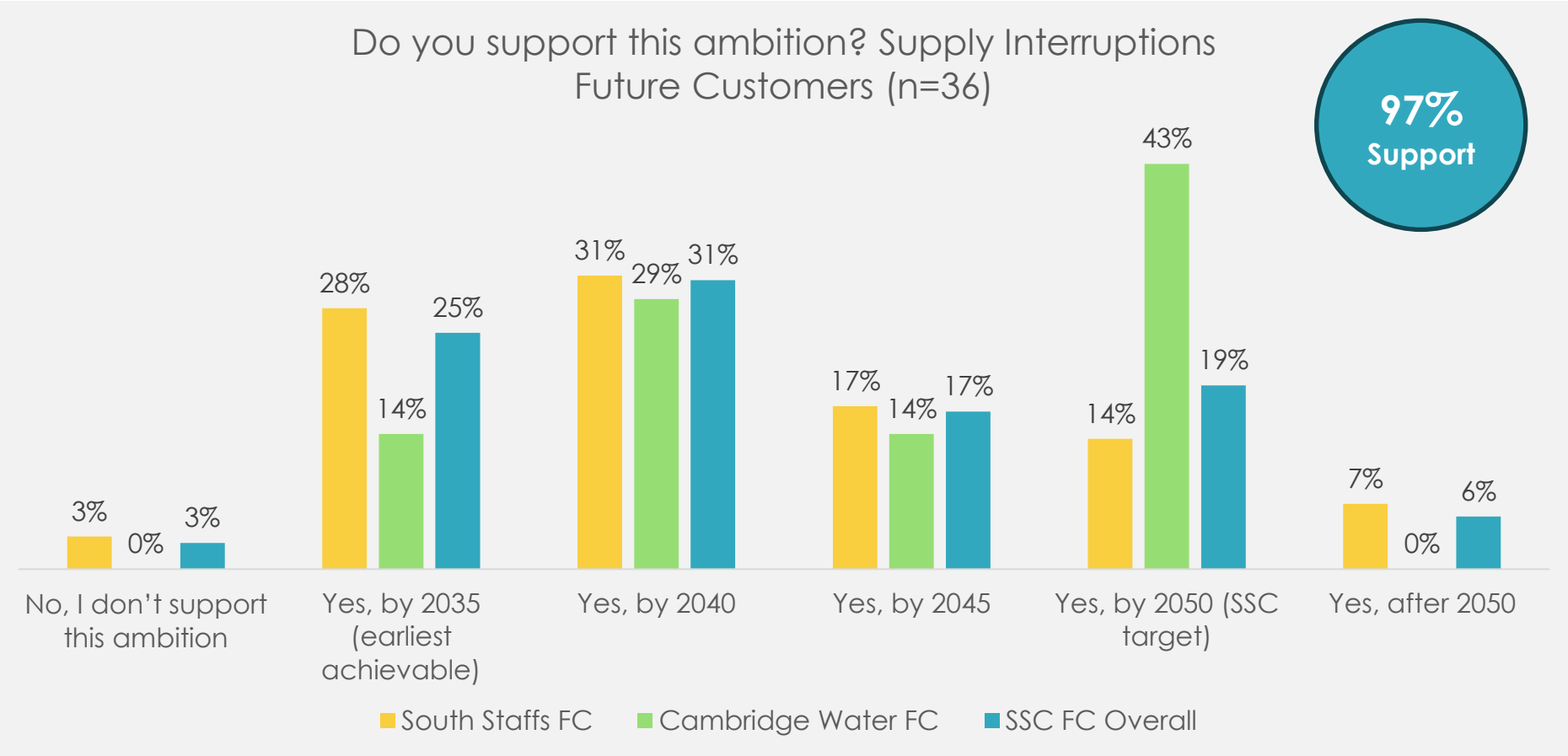
Verbatim Reasons for Support of Lead Pipe Removal Ambition	Verbatim Reasons for Not Supporting the Lead Pipe Removal Ambition
'The people who benefit from the removal of lead pipes did not install them or have any choice in the matter. It should not be up to them to cover the entire bill.' ***SSW HH Customer***	*'Replacement should be entirely the customer's own responsibility and technology is already available to make it cheap and non-disruptive.'* ***SSW HH Customer***
'People shouldn't be penalised because of old pipes, everyone should be billed the same, they can't help what pipes they have where they live.' ***CAM HH Customer***	*'The cost should be spread by the companies that make all the profit with this ridiculous bills.'* ***CAM HH Customer***
'We have had the lead pipes for many years now, this should be a gradual replacement over the next 3 decades, it is unfair to penalise the customers who live in an area with lead piping this is a SSW issue to manage.' ***SSW HH Customer***	*'Lead pipes cannot be completely removed and current technology is not sufficient to do so.'* ***SSW HH Customer***
It's not the customer's fault that led pipes were installed, so it shouldn't just be that sole customer. Costs should be spread across all customers.' ***SSW Future Customer***	
'We have managed up until this far with the lead pipes being in place, so the gradual decrease over the next 25 years will be a positive either way. I don't think we can afford to push for it to be done much sooner than that, as expenditure needs to be spread across many other areas. *The costs should be evenly spread, because we as customers aren't responsible for which pipes are lead and which aren't, so it would be unfair to make certain customers pay more.'* ***SSW NHH Customer***	

Supply Interruptions

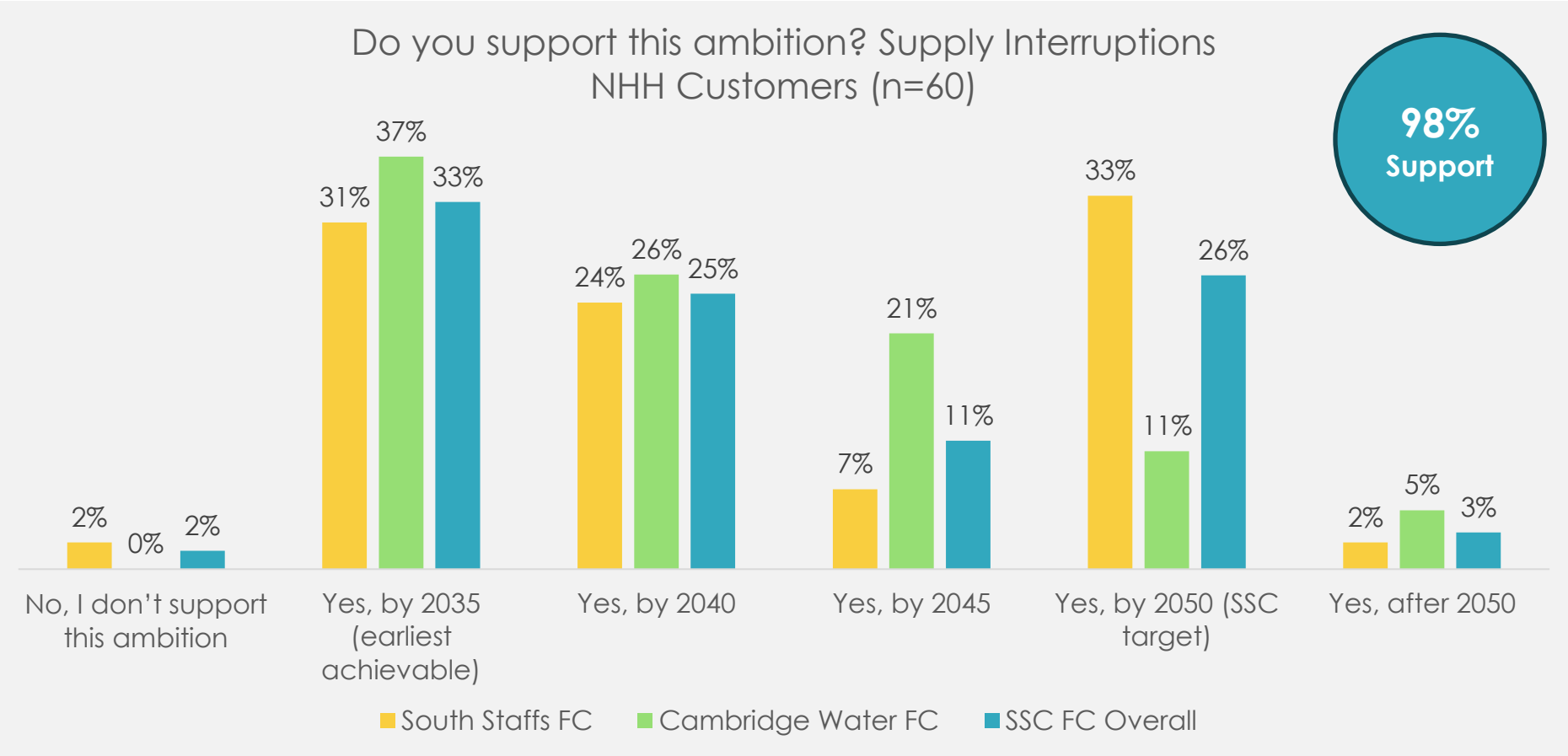
Note that this is the South Staffs Water HH stimulus slide. Both the Cambridge Water and NHH versions can be found in the questionnaires in the appendix.



Overall, 92% of household customers support the supply interruptions ambitions. A quarter of household customers (25%) would like to see the ambition achieved by the earliest possible date (2035) – interestingly, a significantly higher proportion of South Staffs HH customers would like this ambition achieved at the earliest possible date than Cambridge Water customers. Just over half (52%) of household customers surveyed would like to see this ambition achieved before the company target of 2050.



All but one future customer surveyed in-depth on the supply interruptions ambition supported it. Cambridge Water future customers want the ambition to be achieved later, on average, than South Staffs Water future customers. Overall, 72% of future customers would like to see the ambition achieved earlier than the SSC target of 2050.



98% of non-household customers surveyed in-depth on supply interruptions supported the ambition. Cambridge Water NHH customers generally want this ambition to be achieved sooner than South Staffs Water NHH customers. Across both regions, a third (33%) of customers want the ambition to be achieved at the earliest possible date of 2035 – 69% want the ambition achieved before the SSC target of 2050.

Please tell us more below about your views for this ambition and what was behind your choices. Supply Interruptions	Household (n=487)			Future Customers (n=22)		
	SSW (n=331)	CAM (n=156)	SSC Overall	SSW (n=17)	CAM (n=5)	SSC Overall
Not that important / Outages are short / rare / necessary	22%	33%	26%	12%	60%	23%
It is important / Disrupts businesses, households, elderly, etc	25%	18%	23%	41%	0%	32%
Target is / needs to be realistic	12%	14%	13%	18%	20%	18%
The other ambitions are more important	13%	11%	12%	0%	0%	0%
Take action / invest now	9%	7%	8%	0%	0%	0%
Cost should be manageable / spread over time	5%	7%	6%	6%	0%	5%
SSC are responsible / Use profits / Cut shareholder payments	4%	5%	4%	0%	0%	0%
No rush to take action	2%	7%	3%	0%	0%	0%

Although there is clear support for the supply interruptions ambition, over a quarter of customers did mention when giving their reasons that supply interruptions are very rare and, therefore, perhaps not as important as other ambitions. However, a similar proportion did recognise the potential impact on homes, businesses and vulnerable groups such as the elderly.

Verbatim Reasons for Support of Supply Interruptions Ambition	Verbatim Reasons for Not Supporting the Supply Interruptions Ambition
'This isn't hugely important in my opinion. So long as the customers are made aware of interruptions and possible length of, they can make allowances.' ***SSW HH Customer***	*'Being without water for an average of 2:44 minutes is not a bad thing. I'm sure most homeowners could do without a water supply for up to an hour. Businesses may be different however.'* ***SSW HH Customer***

'Supply interruptions can be very inconvenient so there should be an ambition to reduce them.' ***SSW HH Customer***	
'Spreading the costs in an already rising cost of living is better for customers and will end up reducing the overall time that supplies are interrupted.' ***SSW HH Customer***	
'Having no water for a period of time is a very frustrating thing so i think the quicker we can decrease the amount of time people go without water, the better..' ***SSW Future Customer***	
'It is inevitable that water will be cut off for various factors in the future. It is recommended to have a backup pipeline water source. When water is cut off, the backup water source can be supplied for a limited time to avoid the situation of no water for residents.' ***SSW NHH Customer***	*'Often this is out of your control. Reducing the length of outages is good, but I don't think we are in a bad place at the moment and so should not prioritise this.'* ***CAM HH Customer***

WINEP

Water Industry National Environmental Programme / Biodiversity protection – WINEP is a mandatory target for all water companies

Ambition	Ensure more water environments (such as rivers and underground aquifers) have healthy level of water flowing in them by reducing the water it takes from them to meet human demand by **48 million litres per day by 2050** (equivalent to 240,000 full bathtubs) – current daily demand for water is around 325 million litres (or 1.6 million bathtubs).
Benefits	More water environments to have a healthy level of water flowing in them. Taking less water for human need, helps recovery of any damaged water environments. Investing in the WINEP helps restore biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Considerations

Do you want the company to go further than its mandatory targets reducing the amount of water it takes by 2050 and protecting and restoring the water environments that are under greatest threat, such as rivers and wetlands on sites of special scientific interest and adopt a greater protection for the vast majority or all water environments?

Intergenerational Fairness
Should going further than the mandatory requirements be timed to spread the cost over a longer period of time, or brought forward?

Even though the WINEP is a mandatory programme each year, do you support this ambition? Do you want it achieved sooner?

Intergenerational Fairness

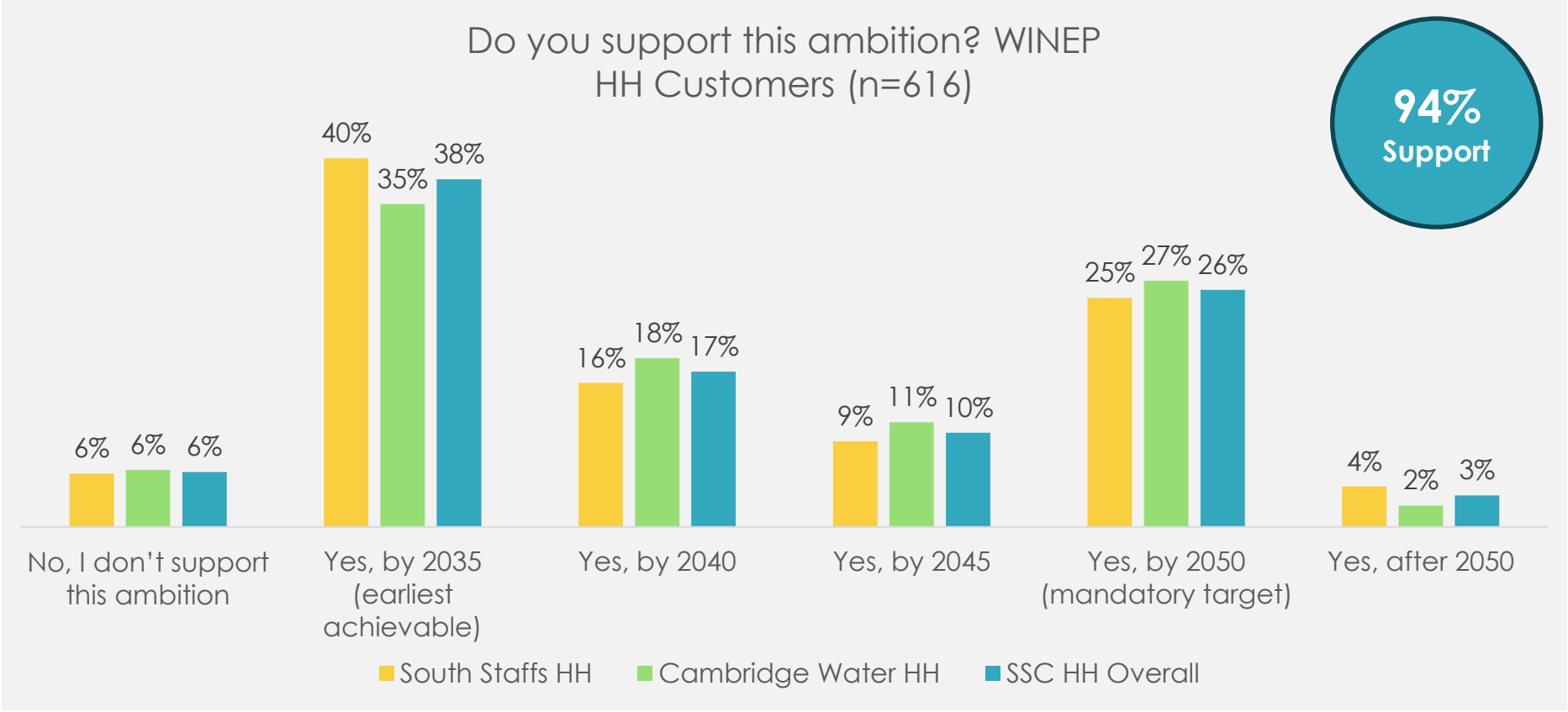
To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

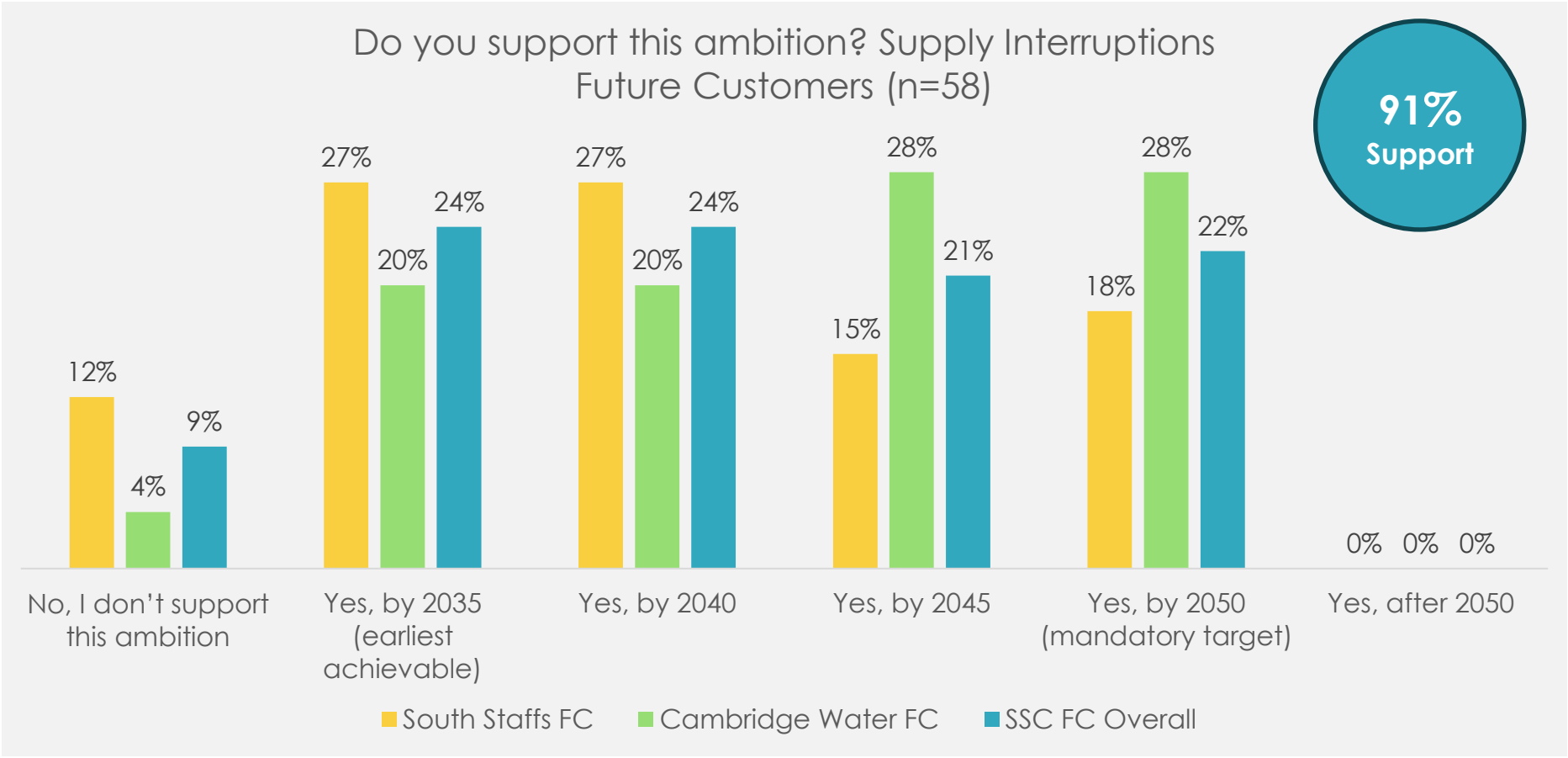
1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Mandatory target for all water companies
5. **After 2050**

4

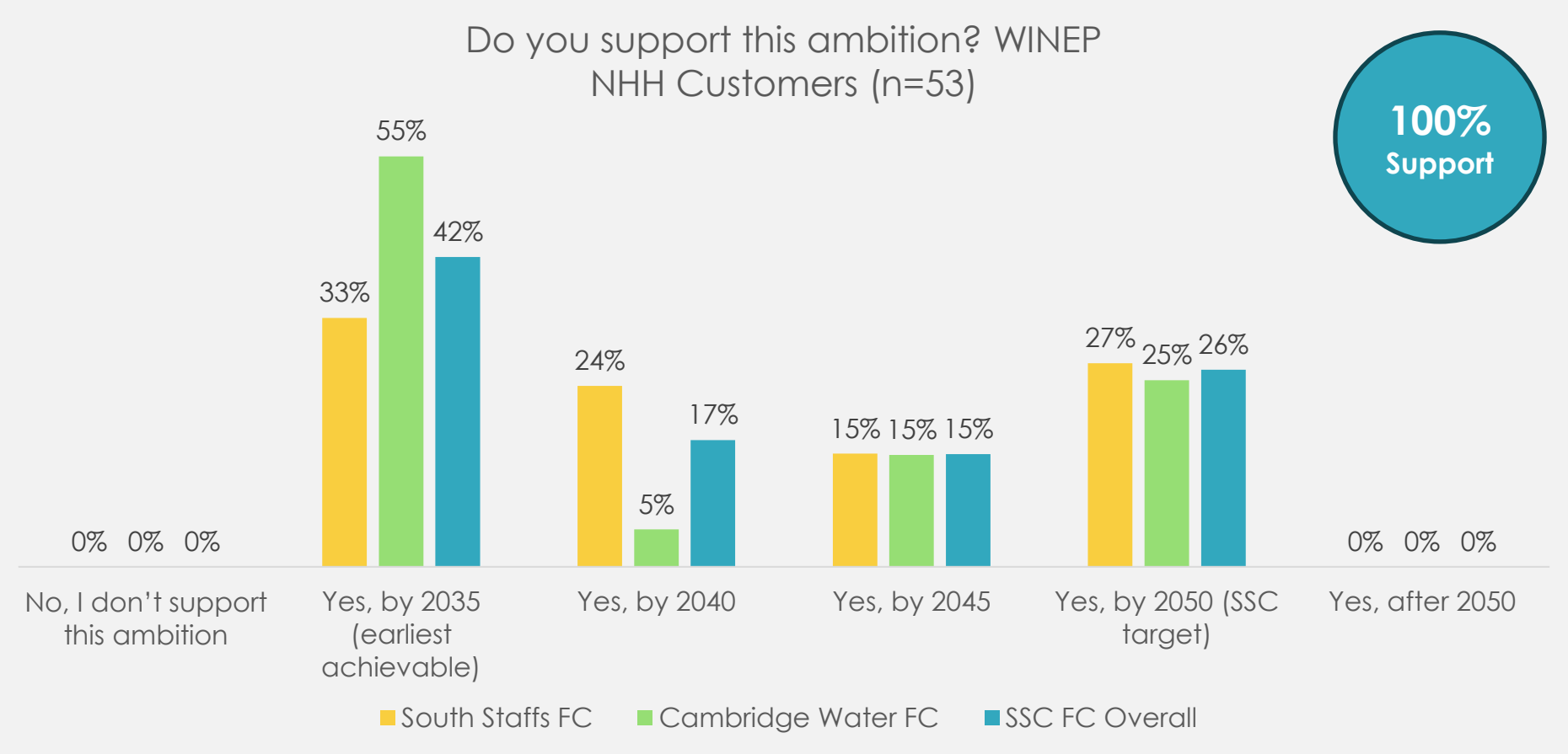
Note that this is the South Staffs Water HH stimulus slide. Both the Cambridge Water and NHH versions can be found in the questionnaires in the appendix.



Overall, 94% of household customers support the WINEP ambition. Almost two-fifths (38%) of household customers would like to see the ambition achieved by the earliest possible date (2035). Overall, two-thirds (65%) of household customers surveyed would like to see this ambition achieved before the mandatory target set for all water companies of 2050.



91% of future customers surveyed in depth on the WINEP support SSC's ambition. Again, there was a similar split for when future customers want the ambition achieved by across both regions. Overall, 69% would like to see the ambition achieved before the mandatory target of 2050.



All non-household customers surveyed in-depth on WINEP supported the ambition. Cambridge Water NHH customers were more likely to want this ambition to be achieved as soon as possible. Across both regions, three-quarters (74%) of NHH customers want the ambition achieved before the SSC target of 2050.

Please tell us more below about your views for this ambition and what was behind your choices. WINEP	Household (n=571)			Future Customers (n=34)		
	SSW (n=312)	CAM (n=259)	SSC Overall	SSW (n=20)	CAM (n=14)	SSC Overall
To protect the environment / nature	29%	27%	28%	25%	36%	29%
Take action / invest now	14%	16%	15%	10%	0%	6%
It is important / Will benefit the future	11%	11%	11%	10%	29%	18%
The other ambitions are more important	7%	14%	10%	15%	14%	15%
Protect water supply / Reduce usage	9%	10%	9%	10%	0%	6%
Cost should be manageable / spread over time	11%	6%	9%	5%	0%	3%
Target is / needs to be realistic	7%	8%	7%	15%	0%	9%
No rush to take action	2%	5%	3%	5%	0%	3%
SSC are responsible / Use profits / Cut shareholder payments	4%	2%	3%	0%	0%	0%

Naturally, the most common reason for support of the WINEP ambition was to protect the environment / nature. There was also a desire to act 'now' / 'fast' before the situation deteriorates.

Verbatim Reasons for Support of WINEP Ambition	Verbatim Reasons for Not Supporting the WINEP Ambition
'The sooner we can return rivers to a safe level for nature, the better. This is more important than most previous options in my opinion.' ***SSW HH Customer***	*'Although this is important during a cost of living crisis things have to be put into perspective and customers at present do not need the extra cost of doing this.'* ***SSW HH Customer***

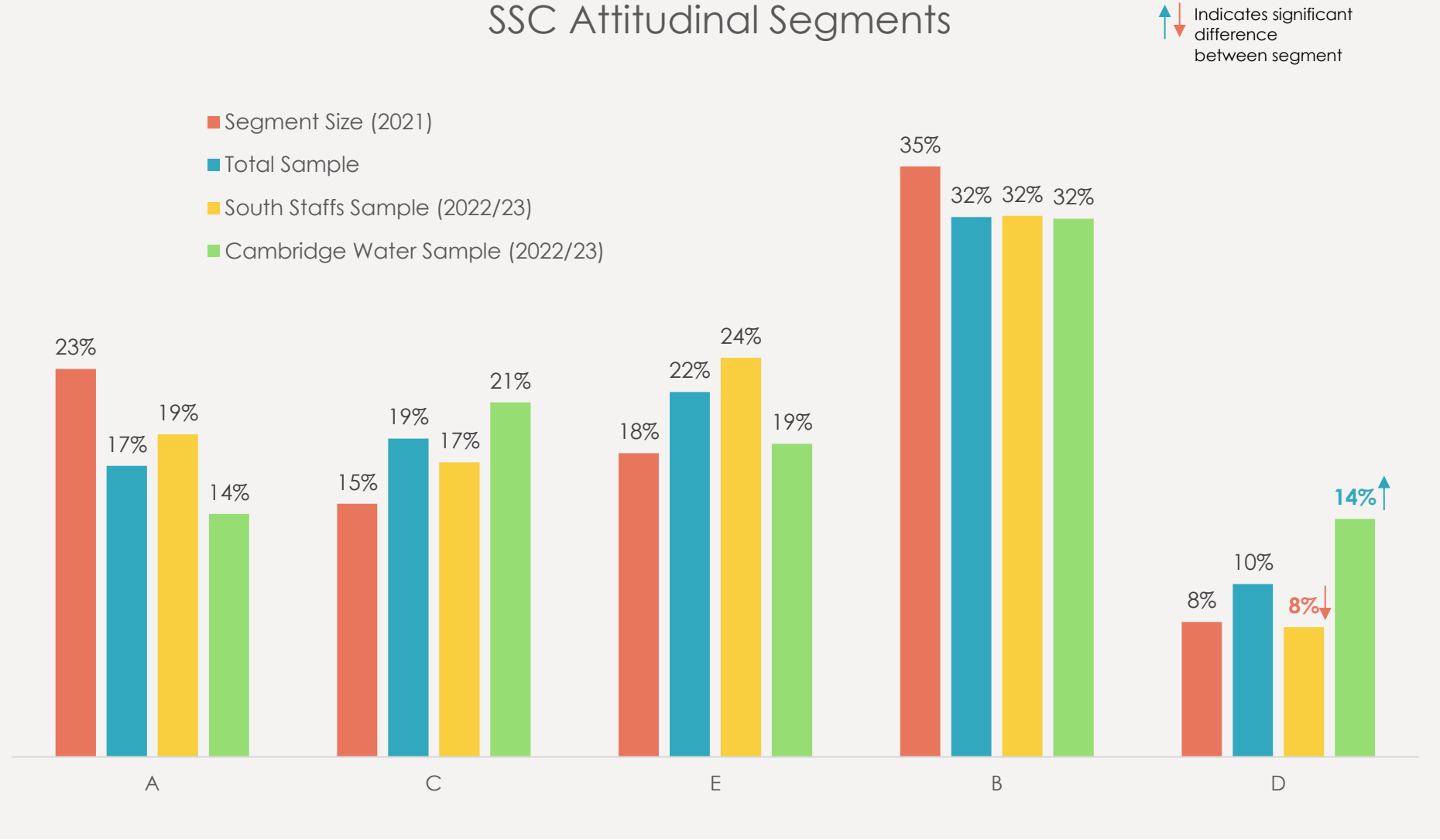
'When you look after nature, nature looks after you. Working in symbiosis with nature should be how we move forward.' ***SSW HH Customer***	*We're told that there is too much run-off from domestic properties yet here we are told that there ought to be more of a flow in riv era and aquifers. Someone needs to think this through better.'* ***SSW HH Customer***
'I feel it would benefit the environment and wildlife and make things more cleaner. But also making sure people are not left out.' ***CAM HH Customer***	*'If things keep going sour with all the rises , no one will be able to pay for this services by those years.'* ***CAM HH Customer***
Sustainability is key. By ensuring only necessary amount of resources are taken from the ecosystem, there will be benefits for both the ecosystem and the consumers.' ***SSW Future Customer***	*I don't really think it matters how much water there is in rivers and underground aquifers.'* ***CAM Future Customer***
Given people and the environment quality water that is natural sauced is very important for the future. As long as we also keep human water service as they are without cut down too much.' ***CAM NHH Customer***	

12.11 SSC Attitudinal Segments

The sample achieved was very representative of the attitudinal household customer segments. All achieved segment splits were within at most 6pp of the actual customer database split.

Customer Segment	Overview of Segment
A (23% of SSC's customer base)	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.
B (35%)	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.
C (15%)	Often financially and time pressured. Strong preference for being online and using social media.
D (8%)	Highly engaged with using the 'latest' technology and managing their lives online.
E (18%)	Highly engaged with technology and very focused on their network of family and friends. Admit to not thinking about their water usage or services and prefer a more transactional relationship with their water company.

SSC Attitudinal Segments



Again, there was very little difference in the level of support by attitudinal segment with high support across the five in-depth ambitions. Segment E were the least supportive in general, significantly so for WINEP where 86% supported the ambition (94% overall). This segment were also significantly more likely to want to wait for innovation (48% vs. 29% overall) rather than invest now with regards to the leakage reduction ambition.

Support %	Household					
	A	B	C	D	E	SSC Overall
Improving Water Quality	90%	94%	95%	99%	91%	93%
Leakage Reduction	95%	97%	99%	100%	93%	96%
Lead Pipe Removal	96%	94%	95%	98%	94%	95%
Supply Interruptions	92%	92%	95%	93%	91%	92%
WINEP	97%	95%	96%	97%	86% ↓	94%

↑↓ Indicates significant differences between segments

Please allocate your points across the 10 ambitions	Household					
	A	B	C	D	E	SSC Overall
Improving Water Quality	17.4	15.4	19.1	17.4	15.6	16.7
Leakage Reduction	14	14.7	14.6	18.4	16.4	15.3
Tackling Water Poverty	12.8	11.7	13	5.7 ↓	11.6	11.5
Lead Pipe Removal	13	11.1	11	10.2	10.4	11.2
Drought Resilience	9.5	9.4	8.8	13.4	10.2	9.9
Reducing how much water we use at home and at work	8.9	11.5	8.2	8	7.4	9.2
Reducing Supply Interruptions	7.6	7.6	7.2	7.3	10.8	8.2
Water Industry National Environmental Programme (WINEP) and biodiversity protection	5.5	7.5	5.2	8.9	4.6	6.2
Offering better and smarter customer service	6	5.1	6.9	4.5	6.8	5.9
Achieving Net Zero Carbon	5.3	5.9	6	6.1	6.1	5.9

As can be seen above, there was also little difference in terms of the investment priorities by segment with improving water quality and leakage reduction the main priorities for all five segments. The only significant difference was for Segment D who allocated significantly fewer points to tackling water poverty.

12.12 Key Ambitions Support Summary

% Support	Household			Future Customers			Non-Household		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
Water Quality	93%	93%	93%	88%	94%	90%	100%	100%	100%
Leakage Reduction	96%	96%	96%	93%	100%	96%	100%	100%	100%
Reducing Supply Interruptions	93%	90%	92%	97%	100%	97%	98%	100%	98%
Lead Pipe Removal	94%	96%	95%	100%	100%	100%	95%	94%	95%
WINEP	94%	94%	94%	88%	96%	91%	100%	100%	100%

There is overwhelming support for all five ambitions where customers have the most choice, across all customer types and future customers. In fact, there is a majority support for all ambitions to be achieved sooner than the SSC targets.

It should also be noted that support was unanimous across all customer types and demographics with very few differences in when customers want to see each achieved by. The only significant differences by gender, age, SEG, household income, metering, experience of issue etc. were for customer with a low social grade, DE. These customers were significantly more likely to want the supply interruptions ambition achieved by the earliest achievable date in 2035 (40% vs. 25% overall), but significantly less likely to want the WINEP ambition achieved before 2050 (82% vs. 91% overall).

There was generally less support for the ambitions amongst customers who are currently finding it difficult or very difficult to afford their water. Customers currently finding it very difficult to afford their water recorded a significantly low level of support for the leakage reduction ambition, however, support was still high at 86%. The same was true for the lead pipe removal and WINEP ambitions

for which these customers had a significantly low level of support, although still high at 87% and 82% respectively.

12.13 Environmental Attitudes and Impact on Support of Ambitions

It is known from past research that there are significant differences in attitudes towards the environment between the two supply regions. Historically, Cambridge Water customers have been more environmentally active and hold 'greener' views that South Staffs Water customers. A set of questions was included in the quantitative survey to see what impact these attitudes have on support of the LTDS ambitions.

Which of the following statements, regarding the environment, apply to you?	Household			Future Customers		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
I am an active member of an environmental / conservation organisation - e.g. Friends of the Earth, WWF, Extinction Rebellion, etc.	3%	6%	4%	6%	7%	6%
I support or donate to environmental organisations	12%	18%	14%	25%	38%	29%
I am involved with helping national or local initiatives to protect and improve the environment – e.g. volunteering, organising etc.	7%	8%	7%	9%	7%	9%
I actively encourage friends/colleagues to be more environmentally conscious	29%↓	37%↑	32%	26%	48%	34%
I actively make sure that I recycle as much as possible	69%↓	80%↑	73%	49%	72%	57%
I have lobbied politicians and/or signed petitions on environmental topics	6%↓	15%↑	9%	6%	7%	6%
I actively stay up to date with the latest environmental news/research	21%	23%	22%	19%	28%	22%
I make a conscious effort to eat more sustainably	40%	42%	41%	21%	38%	27%
I regularly spend time enjoying the environment – walks in the countryside, spending time at rivers, lakes or reservoirs	49%↓	62%↑	55%	40%	52%	44%

None of the above	15% ↑	8% ↓	12%	23%	7%	17%

↑↓ Indicates significant difference by region

As can be seen above, the historic difference in environmental activity and attitudes between the two regions was also observed in this study, with Cambridge Water customers significantly more likely to actively encourage friends/colleagues to be more environmentally conscious; actively make sure they recycle as much as possible; lobby politicians or sign petitions on environmental topics and regularly spend time enjoying the environment.

Given the widespread support of the five ambitions looked at in-depth, across both regions, the individual environmental activities/attitudes had little impact on the overall level of support of the ambitions. However, there were some significant differences observed for customers who cited 'none of the above' - and note that South Staffs Water customers were nearly twice as likely to cite this than Cambridge Water customers. Customers citing 'none of the above' were significantly more likely to not support the Water Quality ambition (19%), lead pipe removal ambition (14%), and supply interruptions ambition (23%). Clearly there is a low level of environmental scepticism across the region, particularly in the South Staffs Water region, to be aware of. However, overall, the impact on support of the LTDS ambitions is minimal.

Environmental activity and attitudes did have an impact on the priority ranking of the 10 LTDS ambitions, mainly in terms of the WINEP ambition. Customers allocated a significantly high number of points to this ambition if they have lobbied politicians and/or signed petitions on environmental topics (13.3 vs. 6.4 overall); support or donate to environmental organisations (11.4 vs. 6.4 overall) or actively encourage friends/colleagues to be more environmentally conscious (8.5 vs. 6.4 overall).

The other question set regarding the environment was a scaled, agreement statement question (seen below).

Now using a 10-point scale, where 1 is strongly disagree and 10 is strongly agree, how strongly do you agree or disagree with how the following statements apply to you and your life generally? Avg. score out of 10	Household			Future Customers		
	SSW	CAM	SSC Overall	SSW	CAM	SSC Overall
I am conscious of the world around me ((e.g. air and water quality, plants and animals) and how people are living (e.g. health, politics, community)) and think we all need to look after it for future generations	8.1	8.4	8.2	7.5	7.6	7.6
Water is a precious resource and I'm careful about how much I use	8.4	8.3	8.3	6.5	7.2	6.7
I'm prepared to switch supplier(s) every year to get the best price	6.5	6.1	6.3	6.6	5.9	6.4

There were no significant differences observed between regions or in terms of the impact of agreement with the statements and support for the five ambitions explored in depth.

12.14 Quantitative Survey Key Findings

The sample achieved provides robust and representative view of household customers' preferences with regards to SSC's long-term delivery plans and ambitions. The future customer and non-household samples were less robust, however, still provide important insight from a wider perspective than in the qualitative workshops.

For household customers, there were effectively three levels of priority regarding the ten proposed ambitions. In the first level, were the two high priority ambitions:

- Improving water quality
- Leakage reduction

After these two ambitions, there was a gap to the ambitions of middling priority to household customers:

- Tackling water poverty
- Lead pipe removal
- Drought resilience
- Reducing how much water we use at home and work
- Reducing supply interruptions

The final three ambitions were of the least priority:

- WINEP
- Offering better and smarter customer service
- Achieving net zero carbon

There were some subtle differences in the priority order by region, although no significant differences. It was a similar story by demographic, with only minor differences in priority. Male customers see leakage reduction as a higher priority than female customers; whereas, female customers view improving water quality as a higher priority than male customers. Customers with a low social grade, DE, see tackling water poverty as the highest priority.

Future customers see achieving net zero carbon as being a higher priority – the second most important behind improving water quality for this group. In contrast to household customers, future customers viewed lead pipe removal as their lowest priority.

Non-household customers also had improving water quality as their top priority. Like future customers, this group of customers also see achieving net zero carbon as a greater priority than household customers – 3rd highest priority for NHH customers.

In terms of the five ambitions explored in greater depth - improving water quality, leakage reduction, lead pipe removal, supply interruptions and WINEP – there was overwhelming support for all ambitions across all participant types. In fact, for all five ambitions, the majority of participants wanted to see the ambition achieved sooner than the SSC targets.

The caveat to these results is that we were not able to include associated bill impacts, which undoubtedly would have affected the results. There is some evidence to this assertion from the trade-off questions where there was a significant preference for keeping customer bills as low as possible – particularly against reducing the company's carbon footprint. Furthermore, and in contrast to the support for achieving ambitions sooner, there was stronger support for keeping customer bills low over investing now for the long-term future.

Overall, and keeping the caveat above in mind, there was strong support for the LTDS ambitions; however, caution should be taken in terms of the support levels for achieving the targets sooner.

13. Appendix

14. Initial Key Stakeholder Depths Summary

There were generally no negatives cited with regards to the proposed approach; sampling across the two regions; or educational stimulus material to be used.

Positives of the approach:

- Deliberative and quantitative.
- Explores intergenerational fairness.
- Good cross section of customers.
- Includes hard to reach / vulnerable customers.
- Includes future customers.
- Accessibility to education.
- Different media stimulus material to keep engagement up.

There were a few aspects raised / reiterated as being important:

- The need for transparency including bill impacts; investment and shareholder returns was felt to be key in this research to ensure customers can make informed decisions and trade-offs.

- Conducting research with external Stakeholders was also mentioned by a couple of interviewees.

- More focus upon long term sustainability. i.e. having a target of 2030 for net zero is good, but is this the most sustainable approach long term?

- Consideration of the consequences of failure within the workshops. i.e. you can have the best systems in the world but things do go wrong and need to be fixed. Do customers consider this?

'Main pillars of what is being looked at seems sensible.' (CCAM)

'Affordability is key'(CCAM)

'You've got Golden Threads in there.' (CCAM)

'I think you probably need to start with the education piece beforehand to get people up to a level of understanding so that what they respond with is useful rather than just demonstrate that they don't understand.' (CCAM)

'I think transparency is a key point too. I think there are lots of myths and legends. A bugbear of mine is transparency points around rate of return or shareholder return. I do think genuinely there'll be greater acceptance if the

perception is that the majority of the money which is being spent is going to pay for services.'(ICG)

'I think it'd be really interesting to really test the appetite for folk in South Staffordshire to fund the kind of investments in things such as the (Fenlands) reservoir.' (ICG)

'A wide range of customers are given a voice in the process. The accessibility piece is really key – the homework tasks are really useful in making sure that customers are engaged and educated, and the context at the front end of the process allows them to make more informed decisions.' (CCAM)

'Trying to make sure that not just the technical side is accessible, but also putting in the context of that long term piece, how things might change, what the picture might be in 10 or 20 years and how that will affect the person on the ground.' (CCAM)

15. Stimulus Materials, Guides and Questionnaires

15.1 SSC LTDS Initial Stakeholder Depths Outline Topic Guide

Section 1 - Introduction	5 mins

- Introduce Turquoise
- Introduce oneself and objectives of the discussion: set the scene; reason for discussion
- Explain MRS code of conduct and rights to anonymity
- Explain recording
- Respondents to introduce themselves

Section 2 – Background to Respondents	10 mins

Before we go on to talk in more detail, would you mind if we ask you some questions regarding your stakeholder role within/with SSC...

- What is your background?
- What is your role as a stakeholder within/with SSC?
    - Probe responsibilities?

- How and where does your role fit within this customer research project to inform SSC's Long-Term Delivery Strategy (LTDS) we are about to embark upon?

- From your perspective, what are the key aspects you believe the customer LTDS engagement should be considering and why?

    - What are the key areas that should be tested?
    - What are your expectations of the research and how SSC will use the outputs as an input into its long-term planning decisions?

Section 3 : LTDS Approach Positives and Negatives	30 mins

You should have received the document outlining a summary of the proposed approach and objectives of the LTDS customer research and our more detailed proposal of how we intend to approach the project, can you tell me……..

- Initial thoughts on the project **objectives** outlined?

    - Do they cover everything?
    - What do you believe are the 3 main objectives of the LTDS research from your perspective and why?
    - Is there anything missing in terms of top-line objectives from the documents you have seen?
    - Do you think the approach will deliver against Ofwat's expectations for LTDS customer engagement?

- Now thinking about the **approach** outlined what are your initial thoughts towards……

- Overall approach:
  - Qualitative methodology? – agree / disagree and why?
  - Quantitative methodology? – agree / disagree and why?
  - Do you feel that the research methodology is robust and the design of high-quality – key prompts
    - **Fit for purpose** - the research sample and methodology should be appropriate for the research objectives
    - **Inclusive** - Research should include different audiences and socio-demographics, considering local or regional or national populations, business customers
    - **Useful and contextual** - research should have practical relevance. It should be clear why the research has been undertaken, to what it will contribute and how.
  - Key challenges you believe need to be considered in engaging customers – and specifically relating to customers in vulnerable situations and future customers?
  - Anything missing – what and why?

- Qualitative element:
  - Pros / cons?
  - Key challenges?
  - Concerns?
  - Sampling used; focus of SSW : CAM within sampling.
  - Video use as stimulus – what aspects do you think will be important to explain to customers given their lack of knowledge of the industry etc in order for them to make informed comments?
  - Anything missing?

- Quantitative element:
  - Pros / cons?
  - Sampling used; sample size; focus of SSW : CAM within sampling.
  - Key challenges – particularly with more vulnerable and future customers?
  - Concerns?
  - Anything missing?

Section 4 – Summary	2 mins

- Can you please just summarise what you believe are the core areas that the SSC LTDS customer engagement research should deliver?

- Is there anything else you would like to add or say about forthcoming research to help ensure best outcomes for customers the environment and SSC?

- Finally, do you have any expectations/advice/ thoughts of how the customer research being undertaken to support the LTDS should be considered by SSC when thinking about all the research and wider strategic plans SSC is working on – e.g. WRMP, wider PR24 projects.

THANK AND CLOSE

15.2 SSC LTDS Pre-Workshop Homework Task – household customers

Hello and welcome to our research project for South Staffs / Cambridge Water. We are very glad to have you on-board!

First of all – a big THANK YOU for agreeing to be part of this important piece of research where we'll be exploring the areas you want South Staffs / Cambridge Water to focus on in the future.

Your input will be used by the company to help them develop their plans over the next five years and beyond. It's vital that they hear from current and future customers like you to ensure that they invest in the areas that are important for you and your household, the communities where you live, and the wider region supplied by South Staffs / Cambridge Water.

In preparation for the workshops, we would like you to complete the following exercises over the next few days prior to session 1.

The exercise consists of three simple tasks, which should take no longer than 10-15 minutes to complete. On the following pages each task is explained in more detail. Remember, you will be given a separate incentive for taking the time to complete them.

T1. First of all we want you to think about what life might be like in the future. Think forward to 2050 and write a short letter "back from the future". Within this we want you to try and imagine how things might be different in 2050 and tell the 'reader'.

We've put some prompts below that we'd like you to cover in your letter:

(1) Tell the reader what everyday life is like in 2050
(2) What good things are happening in 2050 and what concerns people in 2050
(3) What houses are like in 2050 i.e. how are houses different in 2050 and how are people living differently within their homes?
(4) What environmental changes have you seen in the area where you live.
(5) Finally, tell the reader what the clean water service from South Staffs / Cambridge Water is like – what's changed?

T2: We'd now like you to think about how you use water in your home and what's important to you and your home life when thinking about your water supply – i.e. the water that comes through your taps.

Write down the <u>three things</u> you want South Staffs / Cambridge Water to really focus on in the longer term to help you when using water at home – so over the next <u>five to 25 years</u>. Is there anything that might become more important

over this period? Again, we want you to just think about what's going to be most important for you and your household.

Remember that we're interested in what you want South Staffs / Cambridge Water to focus on. This relates just to your clean water services – i.e. the water that comes through your taps. This isn't about your sewerage, drainage or wastewater services, which are provided by Severn Trent Water / Anglian Water.

T3: Now we want you to <u>focus on the whole supply area</u> for which South Staffs / Cambridge Water is responsible. (SSW region) They supply drinking water to 1.3 million people – from Ashbourne in the north to Halesowen in the south and from Burton-upon-Trent in the east to Kinver in the west / (CAM region) They supply drinking water to 360,000 people from Ramsey in the north to Melbourn in the south of the region (there is a map to refer to).
Please write down the <u>three things</u> you want South Staffs / Cambridge Water to really focus on <u>over the next 25 years</u> in the wider supply area for the people that live across the whole area and businesses that are based in different parts of the area.
There may be things that aren't important to your household or immediate local community but might be important for communities or customers / future customers living in other parts of the South Staffs / Cambridge Water supply region.
Remember, we're interested in what South Staffs / Cambridge Water should focus on. This relates just to the clean water services they provide – i.e. the water that comes through your taps.

15.3 Workshop 1 Topic Guide

Section 1 - Introduction	5 mins

- Introduce Turquoise.
- Explain that being as open and honest as possible is essential.
- Explain MRS code of conduct and rights to anonymity.
- Explain that the research is being conducted in the legitimate interests of our client. By agreeing to take part in the research they are consenting to the processing of the data collected; please note that your feedback will be used to inform future South Staffs Water's / Cambridge Water's plans. All research will be provided to the water company in a summary format so no comments are attributed to any of you personally. For further information on how we handle our data and your rights as a data subject, please visit the privacy policy page on our website – thinkturquoise.com
- Explain audio/video recording and about Clients viewing the Session – (first names – explain they will switch off their cameras shortly – hear to answer any technical questions we can't)
- Please be open and honest, there are no right or wrong answers we are entirely interested in your views.
- Please have a pencil and paper ready.
- Your views across this group and the one next week, will help shape the future of the water services and investments made in your region.
- Respondent to introduce themselves briefly – name, age, where they're from.

I will also point out that we have a lot to get through so I will need to keep the discussion focussed on the objectives for this group. There will be a chance for questions at the end with the South Staffs / Cambridge Water team should you wish to stay on for a few more minutes at the end.

Section 2 – Scene Setting and Broad Customer Understanding	15 mins

So first I would like to set the scene and explain a bit about why you are here this evening.

Every five years, all water companies in England and Wales submit a business plan to Ofwat (the water industry regulator who oversees the funding of the water industry). The plan sets out targets for improving lots of areas related to your water supply and services, and outlines what the company is allowed to charge customers in their water bills to deliver service improvements against agreed targets.

The next 5 year plan, covering the period 2025 to 2030 is the first stepping stone in the journey to delivering a number of long-term ambitions that South Staffs Water / Cambridge Water are planning to make up to 2050.

This study asks for your views on when South Staffs Water / Cambridge Water should make major investments in its service performance and who should pay for these investments between the different generations of customers and those who will pay water bills in the future. The findings will support the company's conversation with Ofwat on what its services and associated charges to deliver these improvements will be between 2025 and 2050.

There may be some terms you have not heard of, so if you are unsure at any point please ask – there are no silly questions.

- Out of interest do you / did you know before you were contacted about attending this group, who your water company is i.e. who provides the water supply to your tap?
    - Prompt for answers, listen out for anyone saying Severn Trent / Anglian Water

- What services do you believe SOUTH STAFFS WATER / CAMBRIDGE WATER provide? What are they responsible for? **(Explain, as needed, that SOUTH STAFFS WATER / CAMBRIDGE WATER are responsible for the provision of clean water to your taps only – they do not provide any sewerage services – that will be provided by another company Severn Trent Water / Anglian Water)**

- What are SOUTH STAFFS WATER/CAMBRIDGE WATER good at, what are they not so good at?
    - Why do you say this?

- Have you seen/read/heard anything about SOUTH STAFFS WATER /CAMBRIDGE WATER in the media/press recently? What? How did that impact your perceptions of the company?

- What do you value most about your water supply?
    - Why is that important?
    - Do you feel you get good value for money – why / why not?

- How much thought do you give to the water that you use / comes out your taps etc? – why / why not?

- What are your thoughts on the availability of water in your area?

    - Do you think there enough water to meet customers' needs? *Probe currently and into the future?*

- Is this something you think about (that the amount of water available for public water supply is plentiful or scarce across your region)
  - Yes/no?
  - Why/why not?

- How do you think water availability in your area compares to other areas of England and Wales – are their other areas where water is more plentiful / scarce?

  - What should be done about those areas?

- What challenges do you think may impact on water availability for your region both now and in the future?

- Do you think there are any other big challenges facing water companies? If so, what are they and why do you think they are a challenge?

Section 3 – SSC and the Challenges	**5 mins**

- Overview of services provided by SOUTH STAFFS WATER / CAMBRIDGE WATER.

<u>Show Video 1</u> – SOUTH STAFFS WATER / CAMBRIDGE WATER and Challenges

- What are your views and understanding of what you have been told?

- How much were you aware of, what, if anything, is new that you have learned?

- What are your thoughts on some of the big challenges facing SOUTH STAFFS WATER / CAMBRIDGE WATER outlined to you – were any a surprise? How do you think these might impact on water companies and yourselves as customers in the future?

- Was anything in the video unclear, or needs better explanation.

<u>SHOWCARD 1</u> – challenges:

  - Probe thoughts around the information provided and implications: condition of rivers; population changes; changing rainfall patterns, need to tackle carbon emissions; leakage levels, customer service expectations and support for customers.

Section 4 – Looking to the Future	40 mins

<u>Show Video (2)</u> stimulus (Looking to the Future)

- What do you think about the information that was provided in that video?
  - Does it make sense?
  - What do you feel about what was said?
  - What areas discussed in the video are a priority to you for the future – why?
  - Was anything in the video unclear, or needs better explanation.

SOUTH STAFFS WATER/CAMBRIDGE WATER plans are focused on improving services to their customers taking into account what they want. However, the water Regulators Ofwat and the Environment Agency have outlined a number of targets that water companies' plans should meet and specifically that they expect plans to:

- ***be ambitious in its plans***
- ***not just to be restricted to current environmental obligations and/or legal requirements***
- ***deliver more protection for the environment and to restore it where it is damaged***
- ***to have plans in place to ensure not too much water is taken from rivers, lakes and underground sources of water, whilst meeting human demand***
- ***carefully consider the timings of delivering improvements and the impact this might have on the wider environment and on how affordable water bills are – to strive to offer best value to customers and the environment, which may not be the cheapest way of delivering improvements.***

SOUTH STAFFS WATER / CAMBRIDGE WATER have outlined the following commitment and ambitions for their long-term plans to 2050…..

SHOWCARD 2 (long term ambitions)

SOUTH STAFFS WATER / CAMBRIDGE WATER future investment plans need to address each of these ambition areas (service, the environment, the community, the customer and their business) and we now want to look at each of these areas in turn and talk about how SOUTH STAFFS WATER / CAMBRIDGE WATER is currently performing to provide some context around future ambitions and what is needed.

- Prompts: Any thoughts? Positives / negatives?

- Anything not clear or missing to help you understand these better as a customer? Remember these are just one liners of the ambitions – we will get into the detail of what they mean in practice shortly.

SHOWCARD 3 – moderator to go through each area and metric individually and explore the following for each area…….

South Staffordshire Plc owns South Staffs Water and Cambridge Water. Whilst most of the information we will cover in this session will be about this region there will be some information that applies to both regions. We will make this clear where that is the case.

- Does what we discussed make sense? Why / why not?

- What's your thoughts on SOUTH STAFFS WATER / CAMBRIDGE WATER current performance? – any surprises – what and why?

- For **service and environmental** ambitions, which of these areas are of most importance to you and why? – which

- Overall – which ambitions **(service, the environment, the community, the customer and their business)** do you think should be more of a priority for investment in the future and why?

We now want to show you for each area, what the ambition is in the longer-term and a brief summary of how SOUTH STAFFS WATER / CAMBRIDGE WATER are planning to meet the ambition.

<u>SHOWCARD 4</u> – for each area ……Probe……

- Overall thoughts?

- What about the desired achievements within the timeframes shown?

    - Is this a comfortable timeline for you? Which do you think work / which don't?
    - Should the plan do more? How much more? Or less? Why?
    - Should it achieve results faster? Bearing in mind wanting more sooner could make your clean water bills will likely go up faster to achieve the ambition sooner?

- Explore specific areas…….

- **Service Options**
    - Water Quality:
        - How ambitious do you feel the target is? Why / why not?

        - Reactions to their approach and strategy – does it make sense?
        - When do you feel SSC, in partnership with landowners, should aim to fully restore raw water quality (i.e. removing all pollutants) from the water sources (such as underground aquifers)they use for supplying customers?
        - Do you want SSC to spend money on innovation to achieve this ambition quicker or wait for potential new treatment innovations in the future which might offer greater benefits at a lower cost? Why / why not?

    - Lead pipes:
        - How ambitious is this target? Why / why not?
        - Reactions to their approach and strategy – does it make sense?
        - Who do you feel should pay for removing all lead supply pipes – individual customers who have a lead pipe, or spread the cost across all customers? Why?
        - How do you feel lead replacement pipes should be prioritised – customers at highest risk first? Why?

    - Supply Interruptions:
        - How ambitious do you feel the target is? Why / why not?
        - Reactions to their approach and strategy – does it make sense?
        - How quickly should SSC reach the 2050 target? Why / why not?

- **Environment Options:**
    - Leakage Reduction:
        - How ambitious do you feel the national target is? Why / why not?
        - Reactions to their approach and strategy – does it make sense?
        - How quickly do you want the national target to be met? Why?

    - Drought Resilience:
        - How ambitious do you feel the mandatory target is? Why / why not?
        - Reactions to their approach and strategy – does it make sense?

    - WINEP / biodiversity:
        - How ambitious do you feel the target is? Why / why not?

        - Reactions to their approach and strategy – does it make sense?
        - How quickly should SSC reach the 2050 target? Why / why not?

    - Per Capita Consumption / Business Demand Reduction:
        - How ambitious do you feel the target is? Why / why not?
        - Reactions to their approach and strategy – does it make sense?
        - Do you feel household customers should contribute to fund investment plans, including those needed for helping business customers reduce the amount of water they use? Why / why not?

- **Community Options:**
    - Water poverty:
        - Reactions to their approach and strategy – does it make sense?
        - Who do you feel should pay for achieving this ambition - government, all customers through their bills, shareholder profits?

- **Customer Options:**
    - Enhanced / Digital Services:
        - Reactions to their approach and strategy – does it make sense?
        - Do you feel that SSC should spend more money on innovation and aim to always be a leader (or early adopter) of new technology to achieve the ambition ASAP, or wait until new service innovations are proven and then invest? Why?

- **Business Options:**
    - Net Zero Carbon:
        - How ambitious do you feel the target is? Why / why not?
        - Reactions to their approach and strategy – does it make sense?
        - Do you think the balance is right – go after removing operational carbon emissions first by 2030 and then focus more on embodied carbon by 2050? What is key? Why?

Section 5 – Ranking of all Options / Targets	20 mins

We are interested in what you think of the proposed ambitions and targets – i.e how South Staffs Water/ Cambridge Water should measure success.

Some of these ambitions and targets have constraints i.e. there is no choice as they MUST be done for regulatory and/or legal reasons. However one of these areas might be very important to you, so you could suggest to do it before the proposed deadline. Therefore, some you have a limited choice on but could chose to enhance the rate at which, or the scope of how, they are achieved.

Others you have more of a choice on.

We will be discussing this in more detail in the next session.

You will need a pen and paper for this next exercise.

Show <u>SHOWCARD 5</u> of all ambition options…

Ok, we are now going to do an exercise to look at how you feel SOUTH STAFFS WATER / CAMBRIDGE WATER should prioritise their future investment.

You will see that each ambition option has been coded with a letter, from A to J. We want you to rank them 1 to 10 in terms of priority of investment i.e. the order of investment.

1 is the option you regard as top priority for investment, 2 is the option you regard as the second priority for investment, 3 is the third, and so on.

On a piece of paper please write the letters from A down to J, down the left-hand side. Then, write the number that you ranked that option against the letter.

Moderator to complete a grid for each person in the group.

- Why have you chosen that order?
  - Probe on top 3.

- **Revisit intergenerational fairness……..**

- Whilst in the first group we have not got into how much these ambitions might cost to deliver, we would like you to think about increased bills to cover the cost of funding longer term improvements in the areas we have been discussing. How do you feel now about this issue generally?

  - Are there any of the ambitions and targets we have explored that you would feel happy about paying for now, so that future generations could benefit straight away and not have to pay so much for them? – why and why / why not?

- Are there any you feel that should wait and future generations should pay more towards? Which and why?
- Ultimately, what do you think it fairest when thinking about who should pay – your / current generations / future generations / spread evenly across current and future generations.

Section 6 – Summary and Introduction to Session 2	5 mins

- Summarise customers views on the key metrics.
  - Check they are happy that reflects what was said?

- Explain what will be covered in Session 2 – we will continue the discussion in the next session and will look …….
  - Where you have a choice in how and when ambitions and targets are delivered
  - What the likely impacts of this is on your bills is in the future
  - Revisit what order you prefer investments to be made given this additional information
  - How you would like these investments to be delivered.

- Explain that they will receive a post-group questionnaire (Sent the day after each session).
  - Establish whether customers understood everything,
  - Whether they agree with the consensus reached in the groups.
  - Ask customers to put their rankings of ambitions and targets (so please keep you paper and refer to that when completing).

Thank everyone for their input.

South Staffs Water
LTDS Showcards

Session 1

South Staffs Water's long-term ambitions

Showcard 2

Service Options……

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
A: Improving Water Quality	• Occasionally customers will experience a change in taste, smell and/or appearance of their drinking water. • There is the growing threat of contaminants reaching water sources, so chemicals are needed to make the supply safe to drink	• In 2022/23 so far, there were 1.6 customer contacts per 10,000 properties relating to taste and odour. • The figure was 2.0 in 2020/21. • Ranked 4th best of the 17 water companies. • In 2021/22, it used **12,500 tonnes** of safe chemicals to treat the water supply	Provide an even more reliable high-quality water supply. • Reduce the number of customers raising an issue about their drinking water – e.g. improving current performance for taste and odour from 1.6 customer contacts per 10,000 properties contacting) to **0.75 by 2050**. • Treatment works that require no/very minimal chemicals to be added to treat the water.	• In 2025 a major upgrade of its two largest treatment works and a pipe cleaning programme will finish. • Investing in improving the processes at its other treatment works and keep investing in the latest treatment solutions. • Expand the programmes with land owners and increase the use of environmental approaches that naturally improve water quality – e.g. reed beds.

Service Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
B: Removing Lead Pipes	• In 1969, the installation of lead water pipes was banned. • Most of the lead supply pipes fitted are owned by customers. • The company treats the water supply to ensure lead levels are safe. Over time, any lead exposure can be damaging to health.	• Around in 1 in 4 (25%) properties in the region have a lead supply pipe. • Over the last 3 years, it has replaced on average **1,000** lead pipes a year. • Properties such as schools and care homes are prioritised.	• Remove all lead pipes from pipes **by 2050**, which removes the need for the chemicals needed to make the water safe once all lead pipes are removed. • Allows otherwork such as installing water meters and improving low pressure problems to be done at the same time.	• More investment to replace lead pipes at a faster rate. • Continue to target highest risk properties first in the most costeffective way. • Exploring ways to reduce disruption to customers when replacing lead pipes– e.g. trenchless repairs.

Service Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver

C: Water Supply Interruptions	• Most customers will experience NO interruption to their water supply in a typical year.
	• When temporary interruptions occur, the company counts the number of properties that are affected and the length of time they were without water to give an average figure.
		• The average time customers are without water on average is gradually improving:
		  • 2020/21: 00:04:33 (over 4.5 minutes)
		  • 2021/22: 00:03:15
		  • 2022/23 YTD: 00:02:44
		• Over 9 out of 10 supply interruptions are under 6 hours in length.
		• The company is ranked 4th best of the 17 companies.
			• To ensure the tap runs even during a major burst.
			• To reduce the average time a customer property is without a water supply from 2:44mins, **to under 1 minute by 2050**.
				• Increase the pipe replacement programme and look for new technology to reduce roadworks.
				• Increased investment into pumping and booster stations maintenance.
				• Add new pipe network links, so that if one bursts there is more alternatives to get the water to customers.
				• Install a full smart network that identifies bursts before they happen so they can be fixed.

Environment Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
D: Leakage Reduction	• Over time, pipes can fail and leak e.g. because its very cold/hot weather. • Around **30%** of leakage occurs on the pipes owned by customers. • It becomes more difficult and expensive to reduce leakage once the easy fixes are made. Also causes traffic disruption.	• Each day the equivalent of **26 Olympic size swimming pools** of water is lost- that's around **20%** of the water put into supply and the same as the national average. • Leakage levels are down by **5.8%** on average over the last 3 years from the 2019/20 figure.	• Deliver the water industry target **of reducing leakage by 50%** from the 2017/18 figure. This would save around **18** million litres of water per day in the year 2050 and reduce costs. • Targets at regular intervals up to 2050 to be set.	• Initiatives like fitting more smart sensors to identify and fix pipes before they leak. • Investing in innovations in new pipe materials less prone to leaking. • Increasing the rate of renewing older pipes.

Environment Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
E: Drought Resilience– making sure we don't run out of water for essential use	• Droughts are an extended period with very low rainfall, leading to low water levels in rivers and groundwater in aquifers. • Companies must have plans in place to ensure that the chance of needing to bring in an 'emergency drought order' is **1 in 200**, (or a 0.5% chance of this happening in any year). This means standpipes in the street (and vulnerable customers receiving bottled water drops) and/or rota cuts.	Last time the following occurred in this region: • Emergency drought measures **1976.** • Hose pipe ban to restrict non-essential water use **1976.**	• Make the water supply more resilient to the increased risk of droughts happening due to climate change. • Reduce the chance of needing to bring in an 'emergency drought order' restrictions from **1 in 200 (or 0.5%),** in any given year, down to **1 in 500 (or 0.2%) chance by 2040.** • This is a target they have to meet.	• Reduce leakage and better help people and businesses reduce their water consumption and find new sources of water.

Environment Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
F: Water Industry National Environmental Programme / Biodiversity – leaving the environment in a better state than it is now	• The company has legal duties and targets to meet, aimed at protecting and restoring the environment. • They work with landowners and other groups to protect an amount of land- to improve river flows and help local wildlife and plants to flourish.	• The company is currently meeting its legal requirements. • The company is currently actively protecting **516** hectares of land, and is ahead of its target.	• Ensure more water environments have healthy level of water flowing in them, which can better support animals and wildlife. • To achieve this, it needs to reduce the water it takes from the environment by **48 million litres per day by 2050.**	• Go further and adopt a **greater protection** for many of the water environments that are under greatest threat, such as rivers and wetlands on sites of special scientific interest. • Reduce customer demand for water and drive down leakage.

Environment Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
G: How much water we use at home and at work	• Monitoring changes in water usage is vital when planning to meet future demand. • The company reports the average amount of water each person uses every day (in Litres) in their homes. • **45%** of households in the region have a water meter fitted and the vast majority of businesses are metered.	In 2021/22 the average person in this region used **148** litres per person per day. That is about **15** buckets of water. The company is behind its target **(125)** set in 2020, due to the impacts of the COVID pandemic – such as many more people working from home.	• To meet two targets in the Environment Act to protect the water environment. • **For households** reduce the amount each person uses at home by **26%**, that's from **148** litres per day in 2021/22 down to **110 litres per day by 2050**. – i.e. 4 less than the 15 used currently each day. • Reduce **business** water use by **9% by 2037**.	• Introducing universal smart metering, water product labelling and subsidised water efficiency devices (e.g. water butts, shower heads) for households. • Working with developers to build more water efficient homes and business premises to promote initiatives to allow retrofitting of water recycling systems in existing properties. • Business customers - smart meter technology, water audits and support to install rain/greywater harvesting systems.

Community Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
H: Eliminating Water Poverty– making bills affordable for all	• The company offers discounted bills for households with an income of less than **£19,100** through its Assure discount tariff. • They also offer schemes like payment breaks and plans, and assist vulnerable customers struggling to pay off their water bill debts. • The water industry has a pledge to make water bills affordable for all households **in "water poverty" by 2030** • There is no discounted bill support for business customers at this time	• Supports **49,000** low income households through its Assure scheme • In 2019/20, a study found around **7%** of households were classed as being in "water poverty" – across the South Staffs and Cambridge Water areas this means around **27,000** households.	• **By 2030**, to make sure water bills are affordable for households where the water and sewerage bill is no more than **3%** of its disposable income (the industry target is currently 5%). **That means at least around 90,000 households.** • To make sure water bills remain affordable for all up to 2050 and beyond.	• Ensure all customers are on the right tariff - a discounted bill or debt payment plan. • Exploring new tariffs linked to water use to help reduce their bills - e.g. making water cheaper at certain times of the day/night or charging more per litre for higher usage (meters needed). • Expand local community partnerships to reach and then help who most need support.

Community Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
I: Pro-active customer service to make life easier for customers	This means the water company focusing on two areas: • Using the latest technology so that customers can communicate with the company the way they want, when they want. • Using predictive data so that they can deal with issues before customers are affected.	• So far in 2022/23, Ofwat's independent survey, showed the company is currently rated the 5th best out of 17. It was 4th in 2021/22. • Just upgraded to a new billing system to allow a better service in the future. • It has already started fitting thousands of smart sensors to its network to better monitor its health- e.g. spotting failures to pipes before they happen.	• To be the best company in the water sector for customer service **by 2030** and the best in the utilities sector (energy, broadband, etc) **by 2050.** • Using latest technology to make sure issues are either located and fixed before they impact on customers, or they are sorted first time.	• Invest in better online services to make these easier to use. • Use technology to tailor the information provided to customers about their water use and services so they have more control. • Upskill its workforce, including apprentices, to make better use of smart data to provide a better service.

Community Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
J: Net Zero Carbon	"Net zero" means achieving a balance between the carbon put into the atmosphere and the amount taken out. There are two parts to reducing emissions.. • **"Operational" carbon** - e.g. switching to fully renewable energy to pump water to customers' homes. • **"Embodied carbon"** - requires the company's supply chain to also be working towards net-zero – e.g. the company supplying solar panels manufacturing and transporting them so it does not add carbon to the atmosphere.	• In 2019, South Staffs and Cambridge Water's combined operations released **48,658** tonnes of carbon • By 2021, this fell to **22,406** tonnes. • Achieved mainly through switching to a very low carbon energy tariff and also initiatives like going further to reduce leakage and starting to switch to electric vehicles	Help the UK achieve its national target of net zero by 2050: • Zero carbon emissions from operations **by 2030.** • Zero green house gas emissions across all operations, including embodied carbon **by 2050.**	• Look at all options available to reduce the carbon emissions from operations– e.g. renewable energy options, including wind and solar power, and biofuel gas on a large scale to power all the business' operations. • Collaborate with suppliers to remove all carbon emissions from the supply chain.

Ambition options.

Showcard 4

Option	Ambition
A: Water Quality	To be the best water company for the number of customers raising an issue about their drinking water. To have modern treatment works that require no/very minimal chemicals.
B: Lead Pipes	To remove all risk from lead when people drink their water supply by 2050.
C: Supply Interruptions	To reduce the average time a property is without a water supply from 2:44mins, to under 1 minute by 2050.
D: Leakage Reduction	To deliver the nationalwater industry target to reduce leakage levels by 50% from the figure in 2017/18. Targets would be set to meet at regular intervals up to 2050.
E: Drought Resilience	To move to the chance of needing to bring in an 'emergency drought order' restrictions from the current 1 in 200 (or 0.5%), in any given year, down to a chance of 1 in 500 (or 0.2%) chance by 2040.
F: Water Industry National Environmental Programme /Biodiversity	To leave the environment in the areas it serves in a better state in the future than it is now, with targets set through to 2050.
G: Per Capita Consumption / Commercial Demand Reduction	To reduce the amount each person uses at home by 26% that's from 148 litres per day in 2021/22 down to 110 litres per day by 2050. 9% reduction for businesses by 2037.
H: Water Poverty	By 2030, to go further and this means making sure water bills are affordable for households where the water and sewerage bill is no more than 3% of its disposable income. Make sure water bills remain affordable for all up to 2050+.
I: Pro-active customer service	To be the best companyin the water sector for customer service by 2030.To be the best performing company in the utilities sector (energy, broadband, etc) by 2050.
J: Net Zero Carbon	To help the UK achieve its national target of net zero by 2050, by achieving zero carbon emissions from operations by 2030including embodied carbon by 2050

Cambridge Water

Cambridge Water
LTDS Showcards

Session 1

Cambridge Water's long-term ambitions

Showcard 2

Service Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
A: Improving Water Quality	• Occasionally customers will experience a change in taste, smell and/or appearance of their drinking water. • There is the growing threat of contaminants reaching water sources, so chemicals are needed to make the supply safe to drink	• In 2022/23 so far, there were 1.6 customer contacts per 10,000 properties relating to taste and odour. • The figure was 2.0 in 2020/21. • Ranked 4th best of the 17 water companies. • In 2021/22, it used **1,292 tonnes** of safe chemicals to treat the water supply	Provide an even more reliable high-quality water supply. • Reduce the number of customers raising an issue about their drinking water– e.g. improving current performance for taste and odour from 1.6 customer contacts per 10,000 properties contacting) to **0.75 by 2050**. • Treatment works that require no/very minimal chemicals to be added to treat the water.	• In 2025 a major upgrade of its two largest treatment works and a pipe cleaning programme will finish. • Investing in improving the processes at its other treatment works and keep investing in the latest treatment solutions. • Expand the programmes with land owners and increase the use of environmental approaches that naturally improve water quality– e.g. reed beds.

Service Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
B: Removing Lead Pipes	• In 1969, the installation of lead water pipes was banned. • Most of the lead supply pipes fitted are owned by customers. • The company treats the water supply to ensure lead levels are safe. Over time, any lead exposure can be damaging to health.	• Around in 1 in 4 (25%) properties in the region have a lead supply pipe. • Over the last 3 years, it has replaced on average **90** lead pipes a year. • Properties such as schools and care homes are prioritised	• Remove all lead pipes from pipes **by 2050**, which removes the need for the chemicals needed to make the water safe once all lead pipes are removed. • Allows otherwork such as installing water meters and improving low pressure problems to be done at the same time.	• More investment to replace lead pipes at a faster rate. • Continue to target highest risk properties first in the most costeffective way. • Exploring ways to reduce disruption to customers when replacing lead pipes – e.g. trenchless repairs.

Service Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver

C: Water Supply Interruptions	• Most customers will experience NO interruption to their water supply in a typical year.
	• When temporary interruptions occur, the company counts the number of properties that are affected and the length of time they were without water- to give an average figure.
		• The average time customers are without water on average is gradually improving:
		  • 2020/21: 00:04:33 (over 4.5 minutes)
		  • 2021/22: 00:03:15
		  • 2022/23 YTD: 00:02:44
		• Over 9 out of 10 supply interruptions are under 6 hours in length.
		• The company is ranked 4th best of the 17 companies.
			• To ensure the tap runs even during a major burst.
			• To reduce the average time a customer property is without a water supply from 2:44mins, **to under 1 minute by 2050**.
				• Increase the pipe replacement programme and look for new technology to reduce roadworks.
				• Increased investment into pumping and booster stations maintenance.
				• Add new pipe network links, so that if one bursts there is more alternatives to get the water to customers.
				• Install a full smart network that identifies bursts before they happen so they can be fixed.

Environment Options……..

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
D: Leakage Reduction	• Over time, pipes can fail and leak e.g. because its very cold/hot weather. • Around **30%** of leakage occurs on the pipes owned by customers. • It becomes more difficult and expensive to reduce leakage once the easy fixes are made. Also causes traffic disruption.	• Each day the equivalent of **5 Olympic size swimming pools** of water is lost- that's around **16%** of the water put into supply- national average is **20%.** • Leakage levels are down by **13.5%** on average over the last 3 years from the 2019/20 figure	• Deliver the water industry target **of reducing leakage by 50%** from the 2017/18 figure. This would save around **5.5** million litres of water per day in the year 2050 and reduce costs. • Targets at regular intervals up to 2050 to be set.	• Initiatives like fitting more smart sensors to identify and fix pipes before they leak. • Investing in innovations in new pipe materials less prone to leaking. • Increasing the rate of renewing older pipes.

Environment Options……..

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
E: Drought Resilience– making sure we don't run out of water for essential use	• Droughts are an extended period with very low rainfall, leading to low water levels in rivers and groundwater in aquifers. • Companies must have plans in place to ensure that the chance of needing to bring in an 'emergency drought order' is **1 in 200**, (or a 0.5% chance of this happening in any year). This means standpipes in the street (and vulnerable customers receiving bottled water drops) and/or rota cuts.	Last time the following occurred in this region: • Emergency drought measures **1976.** • Hose pipe ban to restrict non-essential water use **1991/92.**	• Make the water supply more resilient to the increased risk of droughts happening due to climate change. • Reduce the chance of needing to bring in an 'emergency drought order' restrictions from **1 in 200 (or 0.5%),** in any given year, down to **1 in 500 (or 0.2%) chance by 2040.** • This is a target they have to meet.	• Reduce leakage and better help people and businesses reduce their water consumption- and find new sources of water. • Building a water transfer from the Grafham reservoir and working in partnership with Anglian Water to build a new reservoir in the Fens region, to start supplying customers from around 2037.

Environment Options……..

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
F: Water Industry National Environmental Programme / Biodiversity – leaving the environment in a better state than it is now	• The company has legal duties and targets to meet, aimed at protecting and restoring the environment. • They work with landowners and other groups to protect an amount of land- to improve river flows and help local wildlife and plants to flourish.	• The company is currently meeting its legal requirements. • The company is currently actively protecting **26** hectares of land, and is ahead of its target	• Ensure more water environments have healthy level of water flowing in them, which can better support animals and wildlife. • To achieve this, it needs to reduce the water it takes underground aquifers **by 50 million** litres per day by 2050 (down from 83 million)– this will help restore the region's chalk streams.	• Reduce customer demand for water and drive down leakage. • Go further and adopt a **greater protection** for many of the water environments that are under greatest threat, such as sites of special scientific interest. • Undertaking multiple detailed investigations of **77km of chalk streams** between 2025– 2028 to understand exactly which underground aquifers they need to take less water from and when.

Environment Options……..

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
G: How much water we use at home and at work	• Monitoring changes in water usage is vital when planning to meet future demand. • The company reports the average amount of water each person uses every day (in Litres) in their homes. • **75%** of households in the region have a water meter fitted and the vast majority of businesses are metered.	• In 2021/22 the average person in this region used **141** litres per person per day. That is about **14** buckets of water. • The company is behind its target **(125)** set in 2020, due to the impacts of the COVID pandemic - such as many more people working from home.	• To meet two targets in the Environment Act to protect the water environment. • For households: reduce the amount each person uses at home by **22%,** that's from **141** litres per day in 2021/22 down to **110 litres per day by 2050**. – i.e. 3 less than the 14 used currently each day. • Reduce business water use by **9% by 2037**.	• Introducing universal smart metering, water product labelling and subsidised water efficiency devices (e.g. water butts, shower heads) for households. • Working with developers to build more water efficient homes and business premises to promote initiatives to allow retrofitting of water recycling systems in existing properties. • Business customers- smart meter technology, water audits and support to install rain/greywater harvesting systems.

Community Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
H: Eliminating Water Poverty– making bills affordable for all	• The company offers discounted bills for households with an income of less than **£19,100** through its Assure discount tariff. • They also offer schemes like payment breaks and plans, and assist vulnerable customers struggling to pay off their water bill debts. • The water industry has a pledge to make water bills affordable for all households **in "water poverty" by 2030** • There is no discounted bill support for business customers at this time.	• Supports **3,450** low income households through its Assure scheme • In 2019/20, a study found around **7%** of households were classed as being in "water poverty"– across the South Staffs and Cambridge water areas this means around **27,000** households.	• **By 2030**, to make sure water bills are affordable for households where the water and sewerage bill is no more than **3%** of its disposable income (the industry target is currently 5%). **That means at least 90,000 households.** • To make sure water bills remain affordable for all up to 2050 and beyond.	• Ensure all customers are on the right tariff- a discounted bill or debt payment plan. • Exploring new tariffs linked to water use to help reduce their bills- e.g. making water cheaper at certain times of the day/night or charging more per litre for higher usage (meters needed). • Expand local community partnerships to reach and then help who most need support.

Community Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
I: Pro-active customer service to make life easier for customers	This means the water company focusing on two areas: • Using the latest technology so that customers can communicate with the company the way they want, when they want. • Using predictive data so that they can deal with issues before customers are affected.	• So far in 2022/23, Ofwat's independent survey, showed the company is currently rated the 5th best out of 17. It was 4th in 2021/22. • Just upgraded to a new billing system to allow a better service in the future. • It has already started fitting thousands of smart sensors to its network to better monitor its health- e.g. spotting failures to pipes before they happen.	• To be the best company in the water sector for customer service **by 2030** and the best in the utilities sector (energy, broadband, etc) **by 2050.** • Using latest technology to make sure issues are either located and fixed before they impact on customers, or they are sorted first time.	• Invest in better online services to make these easier to use. • Use technology to tailor the information provided to customers about their water use and services so they have more control. • Upskill its workforce, including apprentices, to make better use of smart data to provide a better service.

Community Options…….

Showcard 3

Service	Explanation	Current Performance	Ambition and Benefits	Strategy to Deliver
J: Net Zero Carbon	"Net zero" means achieving a balance between the carbon put into the atmosphere and the amount taken out. There are two parts to reducing emissions.. • **"Operational" carbon** - e.g. switching to fully renewable energy to pump water to customers' homes. • **"Embodied carbon"** - requires the company's supply chain to also be working towards net-zero – e.g. the company supplying solar panels manufacturing and transporting them so it does not add carbon to the atmosphere.	• In 2019, Cambridge and South Staffs Water's combined operations released **48,658** tonnes of carbon • By 2021, this fell to **22,406** tonnes. • Achieved mainly through switching to a very low carbon energy tariff and also initiatives like going further to reduce leakage and starting to switch to electric vehicles	Help the UK achieve its national target of net zero by 2050: • Zero carbon emissions from operations **by 2030.** • Zero green house gas emissions across all operations,including embodied carbon **by 2050.**	• Look at all options available to reduce the carbon emissions from operations– e.g. renewable energy options, including wind and solar power, and biofuel gas on a large scale to power all the business' operations. • Collaborate with suppliers to remove all carbon emissions from the supply chain.

Ambition options.

Showcard 4

Option	Ambition
A: Water Quality	To be the best water company for the number of customers raising an issue about their drinking water. To have modern treatment works that require no/very minimal chemicals.
B: Lead Pipes	To remove all risk from lead when people drink their water supply by 2050.
C: Supply Interruptions	To reduce the average time a property is without a water supply from 2:44mins, to under 1 minute by 2050.
D: Leakage Reduction	To deliver the nationalwater industry target to reduce leakage levels by 50% from the figure in 2017/18. Targets would be set to meet at regular intervals up to 2050.
E: Drought Resilience	To move to the chance of needing to bring in an 'emergency drought order' restrictions from the current 1 in 200 (or 0.5%), in any given year, down to a chance of 1 in 500 (or 0.2%) chance by 2040.
F: Water Industry National Environmental Programme /Biodiversity	To leave the environment in the areas it serves in a better state in the future than it is now, with targets set through to 2050.
G: Per Capita Consumption / Commercial Demand Reduction	To reduce the amount each person uses at home by 26% that's from 148 litres per day in 2021/22 down to 110 litres per day by 2050. 9% reduction for businesses by 2037.
H: Water Poverty	By 2030, to go further and this means making sure water bills are affordable for households where the water and sewerage bill is no more than 3% of its disposable income. Make sure water bills remain affordable for all up to 2050+.
I: Pro-active customer service	To be the best companyin the water sector for customer service by 2030.To be the best performing company in the utilities sector (energy, broadband, etc) by 2050.
J: Net Zero Carbon	To help the UK achieve its national target of net zero by 2050, by achieving zero carbon emissions from operations by 2030including embodied carbon by 2050

15.5 Inter-Workshop Homework Task

SSC LTDS Post Group 1 Questionnaire

1. **In the workshop we introduced you to the proposed measures and asked you to prioritise them in order of investment from 1 to 10 where 1 was your top priority, 2 was your second priority etc. Please could you confirm how you ranked them from the notes you took. SHOWCARD USED IN GROUPS WILL BE SHOWN**

Ranking 1 - 10

A. Water Quality
B. Supply Interruptions
C. Lead Pipe Removal
D. Leakage Reduction
E. Drought Resilience
F. Water Industry National Environmental Programme / Biodiversity
G. Per Capita Consumption and Commercial Supply Demand Reduction
H. Water Poverty
I. Enhanced / Digital Services
J. Net Carbon Zero

2. **Thinking about the measures again we would like you to allocate points to them to show how important their prioritisation is to you. You have a total of 100 points to give to the 10 measures. You can give as many points as you would like to each of the measures - you can give some to all of them or only choose to share the points out to a selection, it all depends on what you think has greater priority (the more points given the more priority it has) however the total must add up to 100.**

A. Water Quality
B. Supply Interruptions
C. Lead Pipe Removal
D. Leakage Reduction
E. Drought Resilience
F. Water Industry National Environmental Programme / Biodiversity
G. Per Capita Consumption and Commercial Supply Demand Reduction
H. Water Poverty
I. Enhanced / Digital Services
J. Net Carbon Zero

3. **Is there anything missing from the list of measures that you think companies should be considering with regards to investment priorities?**

Open

4. **Whilst also thinking about how you allocated your points above, we would like to understand your reactions towards some key dilemmas that South Staffs / Cambridge Water face in their approach to planning long term investments. Please indicate, using a sliding scale, where you feel the balance should lie in relation to the following areas:**

Investing more now for the long-term future to 2050		Keeping customer bills as low as possible up to 2030
Preparing for the worst-case scenarios (for example investing so the water system can cope with extreme weather conditions such as droughts)		Wait and see what happens and react as needed
Trying new approaches and innovations to find solutions to challenges		Sticking to tried and trusted approaches that are proven to work
Spreading any costs to mantain and improve the service equally amongst all customers		Those who directly benefit from investments pay more for them (for example, local residents who might benefit from improvements to a nearby river etc. pay more on their bills to cover the cost of that work)
Spreading any costs to maintain and improve the service equally amongst all customers		Limiting what those who are struggling financially will pay (so those who are able to, pay more)
Doing more to reduce the amount of leakage from pipes even if it costs customers more		Keeping customer bills as low as possible
Doing more to reduce the company's 'carbon footprint' (the amount of carbon dioxide the company adds to the atmosphere through its operations) – even if it costs customers more		Keeping customer bills as low as possible

5. **On a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, to what extent do you agree or disagree with the following statements about the first workshop session you attended?**

   A. I enjoyed taking part and having my say.
   B. Everyone was given a fair chance to have their say.
   C. The focus group was well organised and structured.
   D. I understood all the materials and information presented, and activities asked of me.

6. **Please briefly tell us why you gave these scores. Particularly if you rated any of the areas between 1 and 3, so that we can understand how to make these sessions better for customers.**

   Open
7. **Do you have any other feedback about how we could improve these types of sessions for customers in the future?**

   Open

15.6 Session 2 Topic Guide

Section 1 - Introduction	5 mins

- Re-introduce yourself.
- Quick recap on legals/MRS Code
- Explain that the research is being conducted in the legitimate interests of our client. By agreeing to take part in the research they are consenting to the processing of the data collected; please note that the data will be used to inform future South Staffs Water/ Cambridge Water company plans. All research will be provided to the water company in a summary format so no comments with be attributed to any of you personally. For further information on how we handle our data and your rights as a data subject, please visit the privacy policy page on our website – thinkturquoise.com
- Explain audio/video recording and about Clients viewing the Session.
- Please be open and honest, there are no right or wrong answers we are entirely interested in your views.
- **Please make sure you have a pen and paper available.**

Again, I will point out that we have a lot to get through so I will need to keep the discussion focussed on the purpose of this session.

Section 2 – Recap/scene setting	5 mins

- Quick recap and thoughts after session one
  - What are your thoughts on SOUTH STAFFS WATER / CAMBRIDGE WATER now – anything changed? What and why?

SHOWCARD 1 – AVERAGE INVESTMENT PRIORITY RANKING OF AMBITIONS

- Explain and show average ranking of the ambitions. This ranking is not just from feedback from your group, but all SOUTH STAFFS WATER / CAMBRIDGE WATER customers taking part in this study from across the region,

- Any thoughts on the order now? Agree / disagree? Why / why not?

Introduction to the topic/scene setting for tonight

So tonight we are gong ot be talking around…….

- ***Regulation & Customer bills***
- ***SOUTH STAFFS WATER's / CAMBRIDGE WATER's Long Term Investment Plans to 2050 – or what is known as the Long Term Delivery Strategy (LTDS)***
- ***More about the ambitions and targets we have been discussing and that need to be considered in future plans such as:***
  - ***Those areas you have a choice on and those that you don't, as there are some legal/mandatory targets they have to achieve.***
  - ***What input you have into the delivery of the future investments***
  - ***What order you would prefer the investments to be made***
  - ***When you think it would be fairest for these investments to be made***

Section 3 - SOUTH STAFFS WATER / CAMBRIDGE WATER Regulation and Investment	10 mins

SOUTH STAFFS WATER / CAMBRIDGE WATER are a regulated water company, which means that customer bills and their levels of service and performance are challenged by and then approved by OFWAT (the industry regulator).

<u>SHOWCARD 2</u> – Regulation by OFWAT

- Any thoughts on this information?
- Aware of this / not aware?
  - Surprised? In line with what you know?

<u>HOUSEHOLD: SHOWCARD 3</u> – What's included in the current water bill

We asked you to see if you could find your latest water bill so we could discuss them.

- How much are you paying for your clen water, not sewerage/wastewater charges?

This shows what the current average annual bill price is across England and Wales, how this is split between clean water and wastewater, what's included and how much water companies are investing in improvements to the services between 2015 to 2020 and then 2020 to 2025

- Any thoughts on this information?
- Aware of this / not aware?
  - Surprised? In line with what you know?
  - How do you feel about your water bill? Do you think its good value for money?

NON-HOUSEHOLD PROMPTS – DO NOT DISPLAY SHOWCARD

We asked you to see if you could find your latest water bill so we could discuss them.

- How much are you paying for your clean water, not sewerage/waste water charges?
    - Were you surprised with how much you pay? In line with what you thought?
    - Do you think its good value for money?
    - Do you remember that you are billed by another supplier who also handle your customer service and **SOUTH STAFFS WATER / CAMBRIDGE WATER** are just responsible for the clean water charges you pay?

Section 4 – Introduction to LTDS and Performance to Date on Ambitions	**5 mins**

<u>Video 3</u> – What is LTDS and why and where we need customers help

- Any thoughts on the information discussed in the video?
- Was anything in the video unclear, or needs better explanation.

Please remember that the LTDS looks at future investment delivery from 2025 up to 2050, but this needs to be considered in the context of the challenges the water company is facing which we discussed in session 1.

<u>SHOWCARD – The Trilema</u>

This diagram summarises the 3 conflicting areas your water company needs to balance.

- What are your thought on this balancing act?
- Do you think this is a reasonable approach by South Staffs/Cambridge Water?

At this point, the company can't provide very detailed costs all the way to 2050 to deliver its ambitions and targets. Costs can be worked out with a high degree of certainty over the next 5 years or so, but when looking further into the future there is a lot of uncertainty which needs to be considered and the company will look at the different options and available and what these

could cost when considering their long-term plans. For example, new technology emerging which makes things cheaper and/or quicker to do. Costs for materials and labour can also change a lot over time.

We want to focus today's discussion on which generations of customers will pay to deliver the ambitions and targets that customers want to see achieved – it's about what is fairest.

Investing now means that the ambition and the associated benefits can be delivered quicker. If you pay later, investment and associated benefits are deliverd later. South Staffs/Cambridge Water will use your feedback alongside lots of other data and expert insights to make decisions about their investment plans to 2050.

Section 5 – Trade Off	60 mins

<u>Showcard - The Ambitions</u>

Go through each ambition in turn and then probe customers.

Ask customers to get a pen and a piece of paper.

For A, Water Quality. Write down the letter A on the left. Then please write down your answer to each of the following three questions…

- Should the company pursue this ambition for reducing the number of customer contacts? Yes or no?
- When do you want to achieve this by? Which stepping stone?
- What type of investment (1, 2 or 3)?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- By when do you want it bearing in mind the considerations?
- What type of investment (Water environment or treatment works)?
- Should the company invest in innovation now or wait for innovation to happen?
- Do you think that what you have written down is purely a personal choice or, one that reflects the views of the region as a whole?

For B, Lead Pipes. write down the letter B on the left. Then please write down your answer to each of the following three questions…

- Should the company pursue this ambition? Yes or no?
- When do you want to achieve this by? Which stepping stone?
- Who should pay 1, or 2?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- By when do you want it bearing in mind the considerations?
- Is it right to target high priority properties first?
- Do you think that what you have written down is purely a personal choice or, one that reflects the views of the region as a whole?

For D, Leakage Reduction. write down the letter D on the left. Then please write down your answer to each of the following three questions…

- Although this is a mandatory target, do you support it? Yes or no?
- When do you want to achieve this by? Which stepping stone?
- Should they wait for innovation to happen? Yes or No?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- By when do you want it?
  - Why?
- Do you think that what you have written down is purely a personal choice or, one that reflects the views of the region as a whole?

For C, Supply Interruptions. write down the letter C on the left. Then please write down your answer to each of the following two questions…

- Should the company pursue this ambition? Yes or no?
- When do you want to achieve this by? Which stepping stone?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- By when do you want it bearing in mind the considerations?

- Is the target ambitious enough?
- Do you think that what you have written down is purely a personal choice or, one that reflects the views of the region as a whole?

For G, How much water we use. Reducing domestic and business water consumption. Write down the letter G on the left. Then please write down your answer to each of the following two questions…

- Although these are mandatory targets, do you support them?
- Should the company pursue these ambitions quicker than the mandatory legal targets for business and households? Yes or no?
- When do you want to achieve this by? Which stepping stone?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- By when do you want it?
  - Why?
- Do you think that what you have written down is purely a personal choice or, one that reflects the views of the region as a whole?

For F, Water Industry National Environmental Programme. write down the letter F on the left. Then please write down your answer to each of the following two questions…

- Although the WINEP is a mandatory target, do you support it?
- Should the company go beyond the mandatory requirements in the WINEP and also reducing how much water it needs to take from the environment? Yes or no?
- When do you want to achieve this by? Which stepping stone?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- By when do you want it bearing in mind the considerations?
- Do you think that what you have written down is purely a personal choice or, one that reflects the needs of the region as a whole?

For J, Carbon Net Zero. write down the letter J on the left. Then please write down your answer to each of the following three questions…

- Should the company pursue this ambition for achieving Net Zero across all of its operations, including embodied carbon? Yes or no?
- When do you want to achieve this target by? Which stepping stone?
- Should the company deliver the 2030 Net Zero operational target later and bring the embodied carbon target forward from 2050?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- By when do you want it?
  - Why?
- Should the company spend now on innovation to be a leader in the field or wait for innovation to be proven first? Invest now or wait?
- Do you think that what you have written down is purely a personal choice or, one that reflects the views of the region as a whole?

For I, Proactive Customer Service. write down the letter I on the left. Then please write down your answer to each of the following three questions…

NHH ONLY: whilst this ambition does not apply directly to businesses as your customer service and bills are handled directly by another supplier (your retailer), the service and support that SOUTH STAFFS WATER / CAMBRIDGE WATER offers to your retailer will ultimately impact you as the end customer.

- Should the company pursue this ambition? Yes or no?
- When do you want to achieve this by? Which stepping stone?
- Should the company spend now on innovation to be a leader in the field or wait for innovation to be proven first? Invest now or wait?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- By when do you want it?
  - Why?
- Do you think that what you have written down is purely a personal choice or, one that reflects the views of the region as a whole?

For H, Water Poverty. Write down the letter H on the left. Then please write down your answer to the following question…

If asked: remember, disposable income is the amount of money that households have left to spend after any housing costs (rent or mortgage payments) any taxes (e.g. Income Tax) and any benefits (e.g. Disability Living Allowance) have been accounted for.

NHH ONLY: whilst this ambition does not apply to businesses we are interested in your views on it in terms of how you view this area as a business customer.

- This is not a mandatory legal target, but should the company pursue this water industry ambition? Yes or no?
- Should it go beyond the industry target for water poverty – i.e. to the 3% disposable income target, rather than the 5%?
- When do you want to achieve this by? Which stepping stone?

Ask group… (pick a few at random)

- Ok, so what do you feel about this Ambition?
- Is this worth pursuing?
  - Yes/no?
  - Why/why not?
- Is the target of 2030 realistic?
  - Why/why not?
- Do you think that what you have written down is purely a personal choice or, one that reflects the views of the region as a whole?

You may have noticed that we have not included drought resilience in the slides as there is no choice for customers – as it is a legal requirement. However, it will be in your post session task for a ranking exercise.

Explain we will collect your individual information once again via a post session questionnaire.

Section 6 – Summary of Session 2	5 mins

- Summarise customers' views on the order of investment priorities
  - Check they are happy that reflects what was said?

- Summarise customer views on who should be paying for these investments / what's fairest .
  - Check they are happy that reflects what was said?

- Explain that they will receive a post-group questionnaire (Sent after the sessions).

Explain, This will collect their individual answers from this evening and ask them to rank the 10 ambitions in order once more to see if their views have changed.

Thank everyone for their input.

South Staffs Water

South Staffs Water
LTDS Showcards

Session 2

Ambition ranking for South Staffs Water customers.

Showcard 1

Ambition	Average Investment Priority Ranking
A: Water Quality	2.16
B: Lead Pipe Removal	3.20
D: Leakage Reduction	3.20
E: Drought Resilience	5.24
C: Supply Interruptions	5.92
H: Water Poverty	6.00
F: Water Industry National Environmental Programme / Biodiversity	6.96
G: Amount of water businesses and households use every day	7.20
J: Net Zero Carbon	7.28
I: Pro-active customer service	7.84

Please note, the closer the ranking is to 1, the more important it is to customers across the region. So, for customers in South Staffs, Water Quality is the most important ambition, then Lead Pipes and so on.

2

Regulation and Charging.

Showcard 2

- OFWAT is the water industry regulator for England & Wales
- It regulates the amount of money water companies are allowed to charge its customers to provide the service and make improvements.
- Charges to make improvements are set out by water only companies (like South Staffs Water) and for water and sewerage companies
- This happens via a price control process whereby water only and water and sewerage companies submit their business plans (investment plans and customer charges)

- This process happens in five year cycles
- The plan for 2025-2030 is submitted to Ofwat for review in 2023
- OFWAT scrutinise companies' business plans and challenge them to deliver value for money, while ensuring they can continue to invest to maintain and improve vital water and sewerage services.
- This time, Ofwat is also asking all water companies to submit their 5 year business plan as a first steppingstone in the context of delivering a plan of improvements up to 2050

The average water bill in England and Wales and what's included.

Showcard 3

Average water and sewerage bill in 2022/23 for England and Wales

AVERAGE WATER BILL

£200

What's Included

- Maintaining the network of reservoirs, treatment works, pumping stations and pipes
- Gathering and collecting the water from rivers and reservoirs or pumping it from underground rocks
- Storing the water ready to be treated
- Treating, cleaning and distributing water to properties

AVERAGE SEWERAGE BILL

£219

What's Included

- Building and maintaining sewer pipes
- Pumping sewage to treatment works
- Various stages and methods of treatment
- Flowing cleaned and treated wastewater back into rivers and the sea
- Converting solid material from sewage into gas for energy

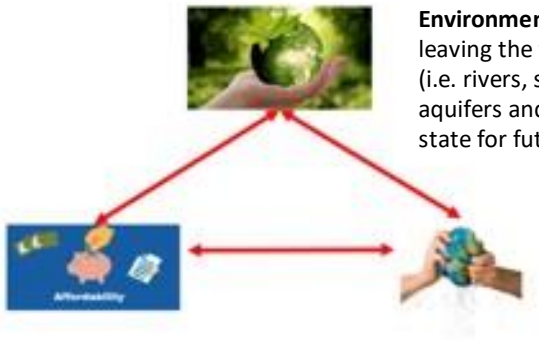
Source: Water UK; England and Wales, forecast average bill for Apr 2022 – Mar 2023

Average bill in the **South Staffs Water supply area** in 2022/23

South Staffs Water: £160

Severn Trent: £190

Any investment has to be balanced against these three areas…



Environment
leaving the water environment (i.e. rivers, streams, underground aquifers and reservoirs) in a better state for future generations.

Affordability
How to balance the cost of the investments needed, whilst ensuring affordable water bills for all customers and the wider communities they live and work in.

Climate change resilience
Providing a resilient service in the face of changing weather patterns, a growing population and ever-increasing customer expectations – not to mention a slowly ageing infrastructure (such as pipes).

Water Quality – no specific industry or legal targets for customer contacts

Ambition	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year
Benefits	Fewer customers impacted by any unwanted changes to their water supply and improved water quality

Considerations

Intergenerational Fairness Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Water quality standards
The company will always invest in its treatment works to ensure drinking water is safe and prioritise meeting its legal requirements to ensure it does not fail any of the 1000's of water quality tests carried out each year. This ambition is about the number of customers querying the quality of their water.

Innovation
Should the company spend money on innovation to achieve this ambition ASAP, or wait for treatment innovations?

Customer Choice

Should the company pursue this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1.	2.	3.	4.	5.
By 2035	By 2040	By 2045	By 2050	After 2050
Earliest achievable			★	

Type of Investment

Should the company spend **(1) more effort on working with landowner/farmers/industry to reduce contaminants reaching water sources in the environment** so the water needs less treatment to make it safe, or **(2) increase spending faster to upgrade treatment works as quickly as possible to the latest treatments**? Or look to **(3) invest in both areas equally.**

6

Lead Pipe Removal – industry target of 2050, but not yet mandatory by law

Ambition: To remove all lead pipes **by 2050**.

Benefits: Removing all lead pipes means no longer needing to treat the water supply with chemical additives to make it safe and any the very small risk of lead pipe causing health problems if it were to be badly damaged.
Opportunity to address other issues while work takes place such as situations where customers share supply pipes which can then be split to tackle low pressures problems, and being able to fit water meters.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Area of Focus
Should high priority properties be targeted first (e.g. care homes, schools)? Likely to be more inefficient approach to dig out pipes at single properties across the region

Innovation
Invest now, or wait for new technologies to avoid digging up the ground to replace pipes which will help reduce disruption to customers.

Customer Choice

Should the company pursue this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. By 2035 – Earliest achievable
2. By 2040
3. By 2045
4. By 2050 ★
5. After 2050

Who Should Pay?

There are estimated to be around **140,000** lead supply pipes across the region – the current replacement rate is around **1,000** pipes a year, mainly at higher priority properties.

Should **(1) the customers at the in 1 in 4 properties who have a lead supply pipes pay the majority** of the costs to replace them, or should **2) the cost be spread evenly across all customers?**

Leakage Reduction – industry ambition and now a legal requirement in the latest Environment Act

Ambition: Deliver the national water industry target of reducing leakage levels **50% by 2050** (from 2017/18 figure)

Benefits: Saving **37 million litres (or around 236,000 full bath tubs)** per day by 2050 by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and faster rate of renewing old pipes. Less wasted water means less needs to be taken from the water environment, and less needs to be treated and pumped to customers, which helps reduce costs over time.

Considerations

Do you want to achieve the target quicker than 2050? How quickly?

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Invest now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall and reduce the amount of disruption (e.g. roadworks) caused to communities that happen when fixing leaks.

Customer Choice

Even though it's a legal target, do you support this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. By 2035 – Earliest achievable
2. By 2040
3. By 2045
4. By 2050 ★
5. After 2050

Supply Interruptions – no specific legal targets

Ambition	Around 95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length, which can really impact people's lives. The ambition is to reduce the average time a property without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050**
Benefits	Customers, both households and businesses, will be less likely to be impacted by their water supply being temporarily interrupted for any period of time.

Considerations

Is the target ambitious enough?
The company has reduced the average time from 4.5 minutes to 2.75 minutes over the last 3 years

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovations
Invest now in new technologies which avoid digging up the ground to replace pipes to reduce disruption to customers. Continue investing in a full smart network that identifies bursts before they happen so they can be fixed and not impact customers.

Customer Choice

Should the company pursue this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. By 2035 Earliest achievable
2. By 2040
3. By 2045
4. By 2050 ★
5. After 2050

9

G. How much water we use at home and work – mandatory national targets in the latest Environment Act

Showcard 6

Ambition	Aiming to meet two national targets in order to protect the water environment: for households, reduce the amount each person uses at home by **26% (from 148 litres per day in 2021/22 to 110 litres per day by 2050)**. 110 litres per day is the same as 11 buckets, 4 less than the 15 a day used currently. The Environment Act has also set water companies a target of reducing business water use by **9% by 2037**.
Benefits	Less water needs to be taken from the environment, treated and pumped to customers. Every property having a meter means water usage can be better understood by the company and customers and help spot leaks faster and the company can offer customers different tariffs based on their water usage to help encourage people to use less.

Considerations

Do you want to achieve the targets quicker than 2037 and 2050?

Should domestic customers also fund investment plans for business reductions and visa versa?

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time or brought forward?

Innovation
Invest now in the latest smart metering technology, rain/greywater systems and other solutions to help reduce water usage.

Customer Choice

Even though it's a legal target, do you support these ambitions?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. By 2035 Earliest achievable
2. By 2040 ★ 2037 for businesses
3. By 2045
4. By 2050 ★ 2050 for businesses
5. After 2050

10

F. Water Industry National Environmental Programme / Biodiversity protection – WINEP is a mandatory target for all water companies

Showcard 6

Ambition	Ensure more water environments (such as rivers and underground aquifers) have healthy level of water flowing in them by reducing the water it takes from them to meet human demand by **48 million litres per day by 2050** – current daily demand for water is around 325 million litres or 1.6 million full bath tubs.
Benefits	More water environments to have a healthy level of water flowing in them. Taking less water for human need, helps recovery of any damaged water environments. Investing in the WINEP helps restore biodiversity – more investment to better support a wider number of local animals and wildlife to flourish.

Considerations

Do you want the company to go further than its mandatory targets reducing the amount of water it takes by 2050 and protecting and restoring the water environments that are under greatest threat, such as rivers and wetlands on sites of special scientific interest and adopt a greater protection for the vast majority or all water environments?

Intergenerational Fairness
Should going further than the mandatory requirements be timed to spread the cost over a longer period of time or brought forward?

Customer Choice

Even though the WINEP is a mandatory programme each year, do you support this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** – Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** ★
5. **After 2050**

11

J. Net Zero – UK legal targets for 2050 and water industry ambition for 2030

Showcard 6

Ambition	Help the UK achieve its national target of net zero by 2050: Net zero carbon emissions from company operations **by 2030** Net Zero green house gas emissions across all company and supplier operations **by 2050**
Benefits	Help the UK achieve its national target **net zero by 2050** to combat climate change impacts (e.g. drought, changing rainfall patterns) that can damage infrastructure and lead to restrictions on use.

Considerations

Should the company deliver 2030 operational target later and bring the embodied carbon target forward from 2050?

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Should the company invest more right now in current renewable energy (e.g. solar), electric vans and other solutions, or wait a few years and then invest?

Customer Choice

Should the company pursue this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2030** – Earliest achievable – operational carbon ★
2. **By 2040**
3. **By 2045**
4. **By 2050** – Remove all embodied carbon ★
5. **After 2050**

12

I. Proactive Customer Service to Make Life Easier for Customers – no specific industry or legal targets

Showcard 6

Ambition	To be the best company in the water sector for customer service by 2030. To be the best performing company in the utilities sector (energy, broadband, etc) by 2050.
Benefits	Pro-active customer service to fix failures before they happen so customers are not impacted and allow customers to contact the company using the method they want, when they want. Give people more information about their water use and bills to help them have more control over how and when they use it.

Considerations

Intergenerational Fairness
Should the ambitions be pushed back further to spread the cost over a longer period of time, or be brought forward?

Innovation
Should the company spend money now on the latest smart technology to make sure issues are either located and fixed before they impact on customers, or in the latest customer services approaches (e.g. live chat calls) so issues are more likely to be sorted first time when a customer contacts the company about it?

Customer Choice

Should the company pursue this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. By 2030 – Earliest achievable
2. By 2040
3. By 2045
4. By 2050
5. After 2050

13

H. Water Poverty – industry ambition for all water companies

Showcard 6

Ambition	By 2030, to go further and this means making sure water bills are affordable for households where the water and sewerage bill is no more than 3% of its disposable income (the industry target is currently 5%).
Benefits	Ensuring that water bills are affordable for all so that household customers do not fall into debt and help reduce the risk of people having to prioritise using essential services (e.g. do I/we use less water or heating?

Considerations

Who should pay to support low income households with discounted bills? – customers, companies, government through taxes?

Should the company go even further up to 2050?
To meet the 3% disposable income water poverty target would mean supporting over **90,000** households across both South Staffs and Cambridge Water regions– currently **53,000** households are being supported with discounted tariffs.

There is currently no discounted bill support for business customers?

Customer Choice

This is a water industry ambition, do you support it?

Yes, or no?

Intergenerational Fairness

1. By 2030
2. By 2040
3. By 2045
4. By 2050
5. After 2050

14

Cambridge Water
LTDS Showcards

Session 2

Ambition ranking for Cambridge Water customers.

Showcard 1

Metric	Average Investment Priority Ranking
A: Water Quality	1.87
B: Lead Pipe Removal	2.93
D: Leakage Reduction	3.67
E: Drought Resilience	4.53
F: Water Industry National Environmental Programme / Biodiversity	6.13
C: Supply Interruptions	6.33
H: Water Poverty	6.73
G: Amount of water businesses and households use every day	7.00
I: Pro-active customer service	7.40
J: Net Zero Carbon	8.40

Please note, the closer the ranking is to 1, the more important it is to customers across the region. So, for customers in the Cambridge Water area, Water Quality is the most important ambition, then Lead Pipes and so on.

2

Regulation and Charging.

Showcard 2

- OFWAT is the water industry regulator for England & Wales
- It regulates the amount of money water companies are allowed to charge its customers to provide the service and make improvements.
- Charges to make improvements are set out by water only companies (like Cambridge Water) and for water and sewerage companies
- This happens via a price control process whereby water only and water and sewerage companies submit their business plans (investment plans and customer charges)

- This process happens in fiveyear cycles
- The plan for 2025-2030 is submitted to Ofwat for review in 2023
- OFWAT scrutinise companies' business plans and challenge them to deliver value for money, while ensuring they can continue to invest to maintain and improve vital water and sewerage services.
- This time, Ofwat is also asking all water companies to submit their 5year business plan as a first steppingstone in the context of delivering a plan of improvements up to 2050

The average water bill in England and Wales and what's included.

Showcard 3

Average water and sewerage bill in 2022/23 for England and Wales

AVERAGE WATER BILL

£200

What's Included

- Maintaining the network of reservoirs, treatment works, pumping stations and pipes
- Gathering and collecting the water from rivers and reservoirs or pumping it from underground rocks
- Storing the water ready to be treated
- Treating, cleaning and distributing water to properties

AVERAGE SEWERAGE BILL

£219

What's Included

- Building and maintaining sewer pipes
- Pumping sewage to treatment works
- Various stages and methods of treatment
- Flowing cleaned and treated wastewater back into rivers and the sea
- Converting solid material from sewage into gas for energy

Source: Water UK; England and Wales, forecast average bill for Apr 2022 – Mar 2023

Average bill in the **Cambridge Water supply area** in 2022/23

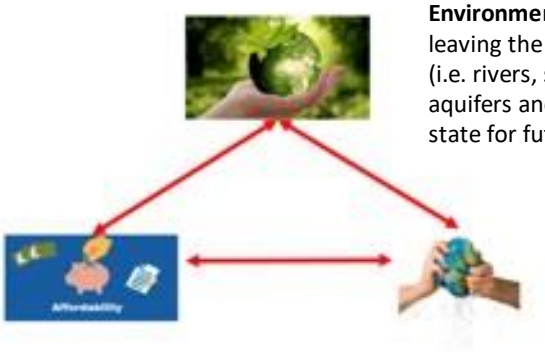
Cambridge Water: £148

Anglian Water: £251

Showcard 6

The Trilemma.

Any investmenthas to be balanced against these three areas…



Environment
leaving the water environment (i.e. rivers, streams, underground aquifers and reservoirs) in a better state for future generations

Affordability
How to balance the cost of the investments needed, whilst ensuring affordable water bills for all customers and the wider communities they live and work in.

Climate change resilience
Providing a resilient service in the face of changing weather patterns, a growing population and ever increasing customer expectations – not to mention a slowly ageing infrastructure (such as pipes)

A. Water Quality – no specific industry or legal targets for customer contacts

Showcard 6

Ambition	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year
Benefits	Fewer customers impacted by any unwanted changes to their water supply and improved water quality

Considerations

Intergenerational Fairness Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Water quality standards
The company will always invest in its treatment works to ensure drinking water is safe and prioritise meeting its legal requirements to ensure it does not fail any of the 1000's of water quality tests carried out each year. This ambition about the number of customers querying the quality of their water.

Innovation
Should the company spend money on innovation to achieve this ambition ASAP, or wait for treatment innovations?

Customer Choice

Should the company pursue this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. By 2035 — Earliest achievable
2. By 2040
3. By 2045
4. By 2050
5. After 2050

Type of Investment

Should the company spend **(1) more effort on working with landowner/farmers/industry to reduce contaminants reaching water sources in the environment** so the water needs less treatment to make it safe, or **(2) increase spending faster to upgrade treatment works as quickly as possible to the latest treatments**? Or look to **(3) invest in both areas equally.**

6

B. Lead Pipes – industry target of 2050, but not yet mandatory by law

Showcard 7

Ambition

To remove all lead pipes **by 2050**.

Benefits

Removing all lead pipes means no longer needing to treat the water supply with chemical additives to make it safe and any the very small risk of lead pipe causing health problems if it were to be badly damaged.
Opportunity to address other issues while work takes place such as situations where customers share supply pipes which can then be split to tackle low pressures problems, and being able to fit water meters.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Area of Focus
Should high priority properties be targeted first (e.g. care homes, schools)? Likely to be more inefficient approach to dig out pipes at single properties across the region

Innovation
Invest now, or wait for new technologies to avoid digging up the ground to replace pipes which will help reduce disruption to customers.

Customer Choice

Should the company pursue this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. By 2035 – Earliest achievable
2. By 2040
3. By 2045
4. By 2050 ★
5. After 2050

Who Should Pay?

There are estimated to be around **36,000** lead supply pipes across the region – the current replacement rate is around **90** pipes a year, mainly at higher priority properties.

Should **(1) the customers at the in 1 in 4 properties who have a lead supply pipes pay the majority** of the costs to replace them, or should **2) the cost be spread evenly across all customers?**

D. Leakage Reduction - industry ambition and now a legal requirement in the latest Environment Act

Showcard 7

Ambition

Deliver the national water industry target of reducing leakage levels **50% by 2050** (from 2017/18 figure)

Benefits

Saving **7.3 million litres (or around 36,000 full bath tubs)** per day by 2050 by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and faster rate of renewing old pipes.
Less wasted water means less needs to be taken from the water environment, and less needs to be treated and pumped to customers, which helps reduce costs over time.

Considerations

Do you want to achieve the target quicker than 2050? How quickly?

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Invest now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall and reduce the amount of disruption (e.g. roadworks) caused to communities that happen when fixing leaks.

Customer Choice

Even though it's a legal target, do you support this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. By 2035 – Earliest achievable
2. By 2040
3. By 2045
4. By 2050 ★
5. After 2050

8

G. How much water we use at home and work– mandatory national targets in the latest Environment Act

Showcard 7

Ambition	Aiming to meet two national targets in order to protect the water environment: for households, reduce the amount each person uses at home by **22% (from 141 litres per day in 2021/22 to 110 litres per day by 2050** 110 litres per day is the same as 11 buckets, 3 less than the 14 a day used currently. The Environment Act has also set water companies a target of reducing business water use by **9% by 2037**
Benefits	Less water needs to be taken from the environment, treated and pumped to customers. Every property having a meter means water usage can be better understood by the company and customers and help spot leaks faster and the company can offer customers different tariffs based on their water usage to help encourage people to use less.

Considerations

Do you want to achieve the targets quicker than 2037 and 2050?

Should domestic customers also fund investment plans for business reductions and visa versa?

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time or brought forward?

Innovation
Invest now in the latest smart metering technology, rain/greywater systems and other solutions to help reduce water usage.

Customer Choice

Even though it's a legal target, do you support these ambitions?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1.	2.	3.	4.	5.
By 2035 Earliest achievable	By 2040	By 2045	By 2050	After 2050

2037 for businesses

2050 for businesses

9

F. Water Industry National Environmental Programme / Biodiversity protection– WINEP is a mandatory target for all water companies

Showcard 7

Ambition	To reduce the amount of water taken from the underground aquifers (which feed the chalk streams in the region) to meet human demand by **50 million litres per day by 2050**– current daily demand for water is around 83 million litres or 400,000 full bath tubs. This will partly be achieved by building a new reservoir.
Benefits	More water environments to have a healthy level of water flowing in them. Taking less water for human need, helps recovery of any damaged water environments. Investing in the WINEP helps restore biodiversity more investment to better support a wider number of local animals and wildlife to flourish.

Considerations

Do you want the company to go further than its mandatory targets reducing the amount of water it takes by 2050 and protecting and restoring the water environments that are under greatest threat– such as undertaking multiple detailed investigations of **77km of chalk streams** between 2025– 2028 to understand exactly which underground aquifers they need to take less water from and when.

Intergenerational Fairness
Should going further than the mandatory requirements be timed to spread the cost over a longer period of time, or brought forward?

Customer Choice

Even though the WINEP is a mandatory programme each year, do you support this ambition?

Yes, or no?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customers would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1.	2.	3.	4.	5.
By 2035 Earliest achievable	By 2040	By 2045	By 2050	After 2050

10

H. Water Poverty – industry ambition for all water companies

Showcard 7

Ambition	By 2030, to go further and this means making sure water bills are affordable for households where the water and sewerage bill is no more than 3% of its disposable income (the industry target is currently 5%).
Benefits	Ensuring that water bills are affordable for all so that household customers do not fall into debt and help reduce the risk of people having to prioritise using essential services (e.g. do I/we use less water or heating?

Considerations

Who should pay to support low income households with discounted bills? – customers, companies, government through taxes?

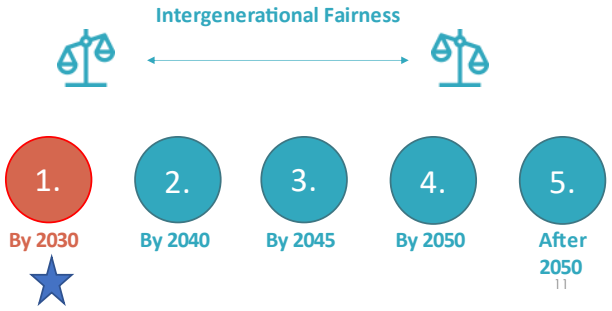
Should the company go even further up to 2050?
To meet the 3% disposable income water poverty target would mean supporting over **90,000** households across both South Staffs and Cambridge Water regions– currently **53,000** households are being supported with discounted tariffs.

There is currently no discounted bill support for business customers?

Customer Choice

This is a water industry ambition, do you support it?

Yes, or no?



11

I. Proactive Customer Service to Make Life Easier for Customers – no specific industry or legal targets

Showcard 7

Ambition	To be the best company in the water sector for customer service by 2030. To be the best performing company in the utilities sector (energy, broadband, etc) by 2050.
Benefits	Pro-active customer service to fix failures before they happen so customers are not impacted and allow customers to contact the company using the method they want, when they want. Give people more information about their water use and bills to help them have more control over how and when they use it.

Considerations

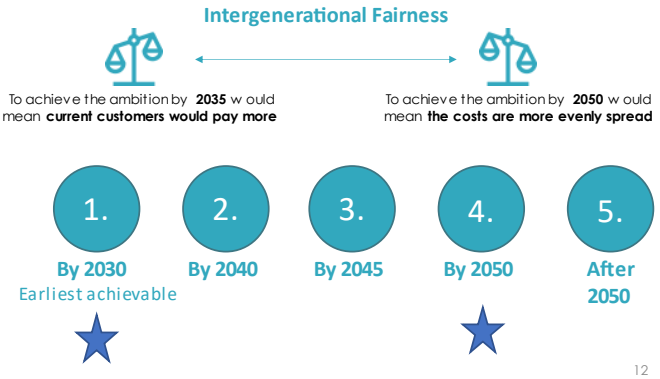
Intergenerational Fairness
Should the ambitions be pushed back further to spread the cost over a longer period of time, or be brought forward?

Innovation
Should the company spend money now on the latest smart technology to make sure issues are either located and fixed before they impact on customers, or in the latest customer services approaches (e.g. live chat calls) so issues are more likely to be sorted first time when a customer contacts the company about it?

Customer Choice

Should the company pursue this ambition?

Yes, or no?



12

C. Supply Interruptions – no specific legal targets

Showcard 7

Ambition	Around 95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length, which can really impact people's lives. The ambition is to reduce the average time a property without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050**
Benefits	Customers, both households and businesses, will be less likely to be impacted by their water supply being temporarily interrupted for any period of time.

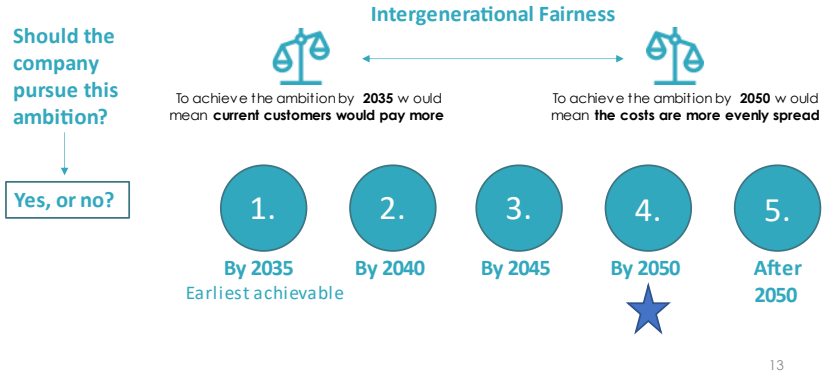
Considerations

Is the target ambitious enough?
The company has reduced the average time from 4.5 minutes to 2.75 minutes over the last 3 years

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovations
Invest now in new technologies which avoid digging up the ground to replace pipes to reduce disruption to customers. Continue investing in a full smart network that identifies bursts before they happen so they can be fixed and not impact customers.

Customer Choice



13

J. Net Zero – UK legal targets for 2050 and water industry ambition for 2030

Showcard 7

Ambition	Help the UK achieve its national target of net zero by 2050: Net zero carbon emissions from company operations **by 2030** Net Zero green house gas emissions across all company and supplier operations **by 2050**
Benefits	Help the UK achieve its national target **net zero by 2050** to combat climate change impacts (e.g. drought, changing rainfall patterns) that can damage infrastructure and lead to restrictions on use.

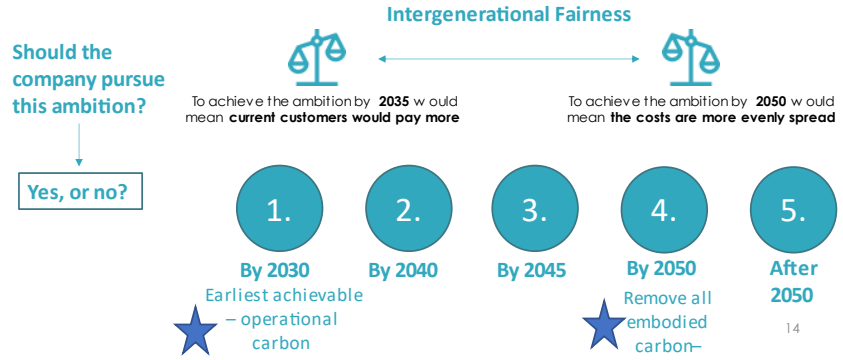
Considerations

Should the company deliver 2030 operational target later and bring the embodied carbon target forward from 2050?

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Should the company invest more right now in current renewable energy (e.g. solar), electric vans and other solutions, or wait a few years and then invest?

Customer Choice



14

E. Drought Resilience – Mandatory regulatory requirement for all water companies

Showcard 7

Ambition	Bring 'emergency drought order' restrictions from the **current 1 in 200 (or 0.5%)** in any given year, down to a chance of **1 in 500 (or 0.2%) chance by 2040**
Benefits	Reduced likelihood of 'emergency drought orders' by making the water supply more resilient to the increased risk of droughts happening, in part due to climate change

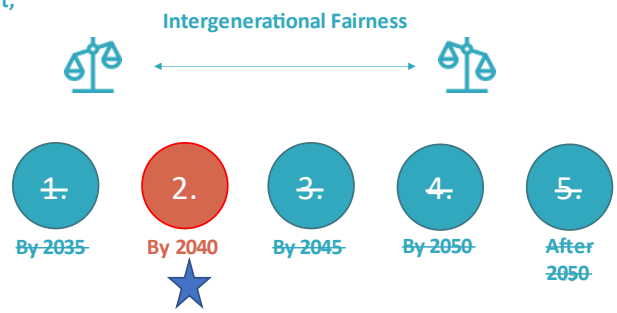
Considerations

Should the company go beyond the target?
The last serve restriction (i.e use of stand pipes) on essential uses of water **was in 1976.**

Going beyond the target would mean the rate of leakage reduction would have to go faster and the company would need to help customers use less water each day at home and work, and expand an existing reservoir.

Customer Choice

Even though this is a regulatory requirement, do you support this ambition?



DO NOT SHOW

Impact of innovation – to be used by moderator if needed to help explain innova examples.

- Use the following as examples to highlight the impact of innovations
  - Big world: Invention of the internet and smartphones has changed the way we communicate to others and buy products and services – it has allowed companies to reduce their costs by offering digital services giving them the choice to pass on these reductions to customers
  - Think about energy smart meters – your company can now tell you how much gas and/or electricity you are using in real time
  - Water company examples:
    - New generation of water meters now available that allows meter reads to be taken every 30 minutes and sent securely back to the company, which could then provide customers with lots of information about their water usage
    - Virtual assistants– like Alexa– allow customers with a disability the ability to manage their account via a voice command – such as submit a meter read or pay a bill
    - Water companies can now use satellite technology and smart sensors to locate previously undetectable leaks to then fix them.

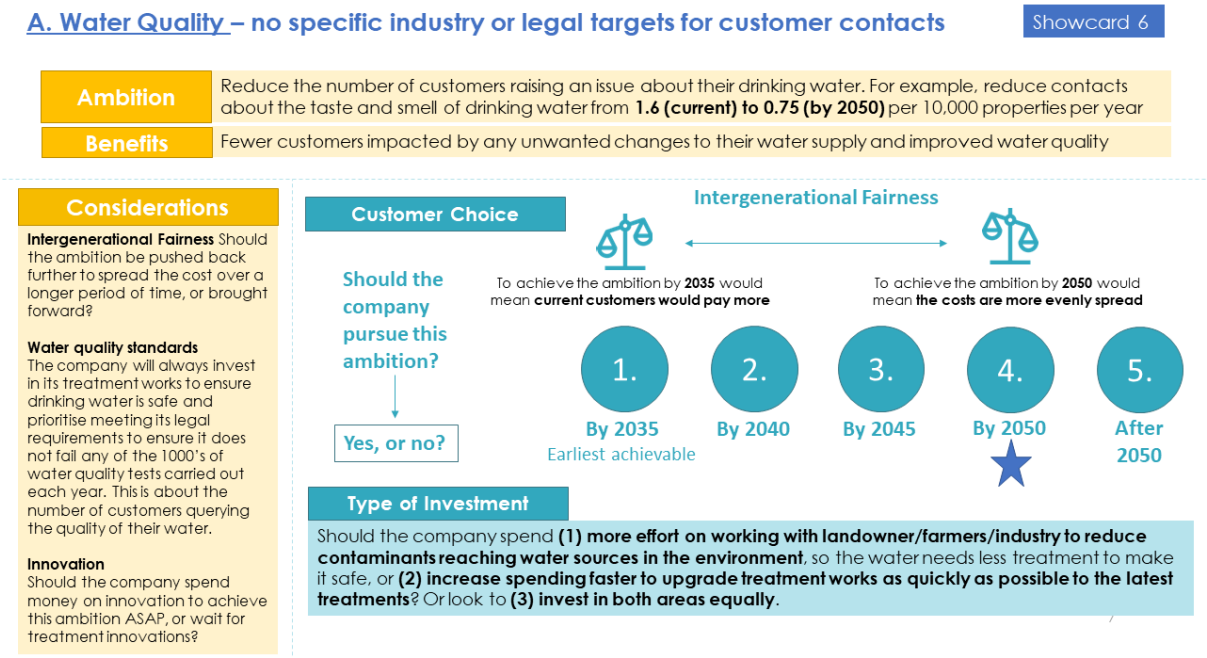
  - The big questions water companies have to always look to answer is: do you wait for a new technology to emerge that allows you to fix a problem quicker and cheaper or push on with current technology?

15.8 Post-Workshop Homework Task

SSC LTDS Post Workshop 2 Questionnaire

As explained by your workshop moderator, this short survey is being used to collect your personal views and notes on the topics covered in the second session. Thanks!

A. Water Quality



8. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050*
Yes, after 2050

9. Which type of investment should the company make?

1. More effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment
2. Increase spending to upgrade treatment works as quickly as possible to the latest treatments
3. Invest in both areas equally

REPEAT FOR EACH AMBITION

10. **Do you feel particularly strongly about any of the ambitions? If yes, which ambition(s) and why?**

    <free text>

11. **Having attended both workshops, how would you now prioritise these measures in order of investment from 1 to 10, where 1 was your top priority, 2 was your second priority etc.**

    Please could you confirm how you ranked them from the notes you took.

    To rank, just click on each measure in the left hand box to move it to the right hand side in your order of preference. If you need to change your order you can use the up and down arrows next to the right hand box...

Ranking 1 - 10

K. Water Quality
L. Supply Interruptions
M. Lead Pipe Removal
N. Leakage Reduction
O. Drought Resilience
P. Water Industry National Environmental Programme / Biodiversity
Q. Per Capita Consumption and Commercial Supply Demand Reduction
R. Water Poverty
S. Enhanced / Digital Services
T. Net Carbon Zero

12. **Having attended both workshops, we would again like you to allocate points to them to show how important their prioritisation is to you.**

    You have a total of 100 points spread across the 10 measures. You can give as many points as you would like to each of the measures - you can give some to all of them or only choose to share the points out to a selection, it all depends on what you think has greater priority (the more points given the more priority it has), however the total must add up to 100.

K. Water Quality
L. Supply Interruptions
M. Lead Pipe Removal
N. Leakage Reduction
O. Drought Resilience

P. Water Industry National Environmental Programme / Biodiversity
Q. Per Capita Consumption and Commercial Supply Demand Reduction
R. Water Poverty
S. Enhanced / Digital Services
T. Net Carbon Zero

13. On a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, to what extent do you agree or disagree with the following statements about the first workshop session you attended?

E. I enjoyed taking part and having my say.
F. Everyone was given a fair chance to have their say.
G. The focus group was well organised and structured.
H. I understood all the materials and information presented, and activities asked of me.

14. Please briefly tell us why you gave these scores. Particularly if you rated any of the areas between 1 and 3, so that we can understand how to make these sessions better for customers.

<free text>

15. Finally, do you have any other feedback about how we could improve these types of sessions for customers in the future?

<free text>

Please click submit to save your responses. Thank you again for your participation.

15.9 Cognitive Quant Questionnaire Testing Summary

Sample

South Staffs	Cambridge
HH (split gender 2:3) • 1x ABC1 • 1x C2DE (16-40) • 1x C2DE (40+) • 1x Vulnerable (16-40) • 1x Vulnerable (40+)	**HH (split gender 2:3)** • 1x ABC1 • 1x C2DE (16-40) • 1x C2DE (40+) • 1x Vulnerable (16-40) • 1x Vulnerable (40+)
NHH • Business owner / decision maker (Micro / SME)	**NHH** • Business owner / decision maker (Micro / SME)

TOTAL = 12

Cognitive Testing Summary

		Comment			Comment			Comment			Comment
Q1	✓		Q12	✓		Q20a	✓		Q26	✓	
Q2	✓		Q13	✓	The slide Understanding your water and waste water bill helped.	Q21a	✓		Q27	✓	
Q3	✓		Q14	✓		Q19b	✓		Q28	✓	
Q4	✓		Q15	✗	92% had difficulties. Needs clarification.	Q20b	✓		Q29	✓	
Q5	✓		Q16	✓		Q21b	✓		Q30	✓	
Q6	✓		Q17	✓		Q19c	✓	Slides overly long and complicated	Q31	✓	
Q7	✓		Q18	✓		Q20c	✓		Q32	✓	
Q8	✓		Q19	✓	Target preferred over ambition. Slides too long and confusing	Q22	✓				
Q9	✓		Q20	✓		Q23	✓		On the whole, how did you find the questionnaire?		
Q10	✗	Some do not understand difference between water and waste water bill or know ST involved	Q21	✓		Q24	✓		16% very easy 66% quite easy 16% neither easy nor hard		
Q11	✓		Q19a	✓		Q25	✗	Ask bill payer only as different household members use water			

Understanding of Questions 1 to 14

Initially could you please read **questions 1 to 9** only. Did you understand all of those questions?	**100% understood Q1-Q9**	
Ask respondent to read **Q10** of the questionnaire. Did you have any difficulty with **Q10**?	**16% had difficulty with Q10** **84% had no difficulty with Q10**	**Comment** Some do not know how much water and waste water bill is off the top of their head. The slide Understanding your water and waste water bill is helpful in clarifying the difference. 16% do not understand difference between clean water and waste water as they never consider it. Some did not know another company ie Severn Trent took their waste water away
Q11.	**Most know roughly how much they spend monthly**	
Q12.	**100% had no difficulty with Q12**	
Q13.	**100% had no difficultly with Q13**	**Comment** Some wanted a true 10 point scale not a scale that is 0-11
Q14.	**100% had no difficulty with Q14**	

Understanding of Question 15-18

Q15 Thinking ahead over the next 25 years, what is/will be important to you/your household regarding your water supply and services?	**92% had difficulty with this question** **8% had no difficulty with this question**	**Comment** Respondents thought question was about what they wanted from a water company and answered clean reliable water supply. They did not realise they were being asked what is important and where the balance is for these areas. It needs to be clearly linked to the previous slides and the answer based on that information
Ask respondent to read **Q16** We would like to understand your reaction towards some dilemmas that South Staffs Water/Cambridge Water faces in its approach to planning long term investments. Please indicate, using the sliding scales, where you feel the balance should lie in relation to the following areas:	**100% had no difficulty with this question**	**Comment** Need to avoid having a mid point on the scale to force customers to make a decision where the balance should lie
Ranked Investment Priorities **Q17.**	**100% had no difficulty allocating the points**	**Comments** The title ranked investment priorities did not communicate adequately. Preference for 'what should SSC focus on most?' or 'putting the investments in order of priority'.
Q18. For each of your four ranked ambitions why did you rank it high?	**100% had no difficulty providing a reason in an open ended question**	**Comments** Some asked why only four as they were asked to rank ten?

In depth exploration of ambitions – Water Quality
Understanding of Questions 19, 20, 21

Q19. Do you support this ambition, and if so, when do you want it achieved by?	**100% had no difficulty**	**Comments** Ambition slides are busy and confusing. There is too much information on the slide. Some of the information on the right hand side is not necessary in order to answer the question. Most will not be able to absorb all the information and will need to refer back One wanted 'by when do you want it achieved' not 'when do you want it achieved by' as considered 'bad' English.
Q20. Which type of investment should the company make?	**100% had no difficulty**	**Comments** Some felt that they were ill equipped to answer this question or were making a guess at the answer. Most would answer 3 as an easier option.
Q21. Any further comments?	**100% had no difficulty**	**Comments** Customers welcome the opportunity to comment.

In depth exploration of ambitions – Leakage reduction
Understanding of Questions 19a, 20a and 21a

Q19a. Do you support this ambition and if so, when do you want it achieved by?	**100% had no difficulty**	Comments Slides take a long time to read and respondents need to refer back to them
Q20a. Do you think South Staffs Water should invest in leakage reduction now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall?	**100% had no difficulty**	**Comments** One respondent felt answer was not 'binary' ie not invest now or wait for innovation, it was more likely to be a combination of both.
Q21a. Any further comments?	**100% had no difficulty**	**Comments** Customers welcome the opportunity to comment.

In depth exploration of ambitions – Lead Pipe Removal Understanding of Questions 19b, 20b and 21b

Q19b. Do you support this ambition and if so, when do you want it achieved by?	**100% had no difficulty**	**Comments** Some boxes on ambition slide ~~be~~ 'Area of Focus' not required as the questions do not relate to this. Avoid unnecessary background information as respondents have a large amount of material to read.
Q20b. Which type of investment should the company make?	**100% had no difficulty**	**Comments** Some felt that they were ill equipped to answer this question as depended on a detailed cost-benefit analysis.
Q21b. Any further comments?	**100%** understood **Q18, Q19 and Q20**	**Comments** Customers welcome the opportunity to comment.

In depth exploration of ambitions – Supply Interruptions Understanding of Questions 19c, 20c

Q19c. Do you support this ambition, and if so, when do you want it achieved by?	**100% had no difficulty**	**Comments** Supply Interruption slides are busy and confusing. There is too much information on the slide. Some of the information on the right hand side is not necessary in order to answer the question.
Q20c. Any further comments?	**100% had no difficulty**	

Understanding of Questions 22 to 26

Ask respondent to read **Q22 to Q23** only.	**100% had no problems understanding these questions**	
Q24.	**100% understood** **When asked 50% said first statement was too long**	**Comments** First statement in Q24. overly long and complex. Could be broken down into three statements • I am conscious of the world around me • I am conscious of how people are living (health, politics, community) • We need to look after the world for future generations
Q25.	**100% had no difficulties**	**Comments** 1/12 wanted question for bill payer only not I/We as different household members use water differently.Ie teenagers flagrant use, bill payer, more conservative
Q26.	**100% had no difficulties**	

Understanding of Questions 27-32

Q27.	**100% had no problems understanding these questions**
Q28.	**100% understood**
Q29.	**100% had no difficulties**
Q30.	**100% understood it**
Q31.	**100% understood it**
Q32.	**100% understood it**

Understanding of questionnaire overall

On the whole, how did you find the questionnaire?	**16%** very easy **66%** quite easy **16%** neither hard nor easy	**Comments** Most thought the questionnaire would take 20 minutes not 10-12 minutes Some found the information overwhelming. There was a lot to read and high levels of concentration were required. Some of the slides ie Understanding your water and waste water bill were helpful. The references to bathtubs and swimming pools helps respondents to visualise huge amounts of water. Target is preferred rather than ambition. A target is something you aim at, An ambition is something you wish for. The ambitions slides were overwhelmingly long and complicated. Respondents spoke of their 'eye jumping around the slide'. They read the ambition and benefit box and then looked at the circles but some struggled to understand the slide fully. The scales icon does not help communication. Most respondents felt they had learned something by the end of the questionnaire and were better informed. In addition, they had a greater appreciation of the scale and the difficulty of providing clean water. Thus, respondents received a reward for their time and involvement. However, some respondents switched off or were ambivalent and felt the questionnaire needed to be shorter and simplified. There is a risk these ambivalent respondents will skim read and not give proper thought through answers. They will probably get bored. There were real difficulties with **Q15.** It needs to be related to the information on the slides Most answer clean, reliable water supply and **do not** answer where the balance is for those areas.

15.10 HH Quant Questionnaire

South Staffs

Online Introduction.

Welcome to the Study

Thank you for agreeing to take part in this important study which is being conducted by Turquoise on behalf of South Staffs Water.

Every five years, all water companies in England and Wales submit a business plan to Ofwat (the water industry regulator who oversees the funding of the water industry). The plan sets out targets for improving lots of areas related to your water supply and services, and outlines what the company is allowed to charge customers in their water bills to deliver service improvements against agreed targets.

The next 5-year plan, covering the period 2025 to 2030, is the first stepping stone in the journey to delivering a number of long-term ambitions that South Staffs Water is planning to make up to 2050.

This study asks for your views as a customer on what you believe the **priorities for long term investment should be**, **when South Staffs Water** should make major investments in its service performance, and **who should pay** for these investments between the different generations of customers and those who will pay water bills in the future.

The findings will inform the company's conversation with Ofwat on what its investment plans to deliver these improvements will be between 2025 and 2050.

This is a genuine market research exercise being conducted under the Market Research Society's Code of Conduct. This means that any answers you give will be treated in total confidence. Please be assured that any data collected during this survey will be held securely and will not be shared with any third party unless you give permission. Turquoise Thinking's privacy statement is available here.

Do you agree to proceeding with the interview on this basis?

Yes
No **THANK & CLOSE**

Section 1

We want to hear from customers of all walks of life to make sure we get balanced feedback, so we would like to start by spending a couple of minutes finding out more about you. It should then take no more than 15 minutes to give your feedback, although it may take longer depending on the answers you give. You do not have to answer any questions that you don't want to, and you can also stop taking part in the study at any point.

So let's get going….

Q1. Have you taken part in a research study for South Staffs Water in the last 6 months?

1. Yes **THANK & CLOSE**
2. No

Q2. Are you the person, or one of the people, in your household who pays the water bills? **SINGLE CODE**

1. Yes
2. No **THANK & CLOSE**
3. No, it is paid by my landlord and included in my rent **(CONTINUE AS FUTURE CUSTOMERS)**
4. No, I still live at home and my parents pay the bills **(CONTINUE AS FUTURE CUSTOMERS)**
5. Other **THANK & CLOSE**
6. Don't know **THANK & CLOSE**

Q3. Do you, or any of your close family, work in market research or for a water company (including working for South Staffs Water or Cambridge Water)? **SINGLE CODE**

1. Yes **THANK & CLOSE**
2. No

Q4. Which of the following do you identify as? **SINGLE CODE**

1. Male
2. Female
3. Non-binary
4. Other
5. Prefer not to say

Q5. Which of the following age groups do you fall into? Are you... **SINGLE CODE**

1. 16-17
2. 18-24
3. 25-34
4. 35-44
5. 45-54
6. 55-64
7. 65-74
8. 75+
9. Prefer not to say

Q6. Which ONE of the following best describes the occupation type of the chief income earner in your household? If you or the chief income earner are self-employed, please tick the option that most relates to the type of work you/they do for the company(s) you/they work for. **WAIT FOR ANSWER THEN PROBE AND CLARIFY USING LIST - SINGLE CODE**

1. Higher managerial/ professional/ administrative *(e.g. Doctor, Solicitor, Board Director in a large organisation 200+ employees, top level civil servant/public service employee etc.)* **SKIP TO Q9**
2. Intermediate managerial/ professional/ administrative *(e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director of small organisation, middle manager in large organisation, principle officer in civil service/local government, Senior Technician etc.)* **SKIP TO Q9**
3. Supervisor; clerical; junior managerial administrative or professional *(e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, technician etc.)* **SKIP TO Q9**
4. Skilled manual worker *(e.g. Bricklayer, Carpenter, Plumber, Painter, Bus/ Ambulance Driver, HGV driver, pub/bar worker etc.)* **SKIP TO Q9**
5. Semi or unskilled manual worker *(e.g. Caretaker, Park keeper, non-HGV driver, shop assistant etc.)* **SKIP TO Q9**
6. Student **SKIP TO Q9**
7. Unemployed or not working due to long-term sickness **SKIP TO Q9**
8. Casual worker – not in permanent employment
9. Full-time carer of other household member **SKIP TO Q9**
10. Retired **GO TO Q7**
11. Rather not say **SKIP TO Q9**

Q7. Does the chief income earner now have a state pension, a private pension or both? **SINGLE CODE**

1. State only **SKIP TO Q9**
2. Private only **GO TO Q8**
3. Both **GO TO Q8**

4. Don't know **SKIP TO Q8**

Q8. How would you describe the chief income earner's occupation type before retirement? **WAIT FOR ANSWER THEN PROBE AND CLARIFY CODE USING LIST - SINGLE CODE**

1. Senior managerial or professional (e.g. Doctor, Solicitor, Board Director in a large organisation 200+ employees, top level civil servant/public service employee etc.)
2. Intermediate managerial, administrative or professional (e.g. Doctor, Solicitor, Board director of small organisation, middle manager in large organisation, principle officer in civil service / local government etc.)
3. Supervisor; clerical; junior managerial administrative or professional (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc.)
4. Manual worker (with industry qualifications) (e.g. Bricklayer, Carpenter, Plumber, Painter, Bus / Ambulance Driver, HGV driver, pub / bar worker etc.)
5. Manual worker (with no qualifications) (e.g. Caretaker, Park keeper, non-HGV driver, shop assistant etc.)
6. Specify job if unsure…

Q9. Can you please tell me what your postcode is? We will only use this to check who provides your water.

……

South Staffs:

B
DE
DY

ST
WS
WV

Prefer not to answer **THANK & CLOSE**
None of the above area codes **THANK & CLOSE**

Main Questionnaire

Section 2

Q10. How much in total do you pay for your water and wastewater services?

Please only answer in one box, either per month or per year, and answer as accurately as possible as your bill amount will be used in later questions. If you are unsure of your bill amount, please leave both boxes blank and click next.

Please select "per month" or "per year" and put in your bill amount.

Per month **GO TO 12**
Per year **GO TO 12**
I'm not sure **GO TO 11**

The image below shows you more about how your total water and wastewater bill is split. This is how we will work out how much your clean water charges are from South Staffs Water, based on what you tell us your total bill is.

Understanding your water and waste water bill

You receive your water and waste water bill from South Staffs Water. However, South Staffs Water only provide you with the services related to your water supply - i.e. the supply of water through the taps to your property.

Your waste water service is provided by Severn Trent Water and they are responsible for taking the dirty water away from your property.

54%

of your bill goes to Severn Trent Water and is used to take the dirty water and sewerage away from your property and for the management and operation of the sewer network

46%

of your bill goes to South Staffs Water and is used to provide you with a safe, high quality water supply every time you turn on the tap

Please note

When we ask you questions about your bill today, remember to just think about the part of your bill related to your clean water services

South Staffs Water

Q11. If you aren't sure exactly how much your total water and wastewater bill is, please indicate which of the following bands best represents how much you pay.

Monthly	Annual	Midpoint for bill calc
Less than £13 per month	Less than £150 per year	£100
£13 - £16 per month	£151 - £200 per year	£175
£17 - £20 per month	£201 - £250 per year	£225
£21 - £24 per month	£251 - £300 per year	£275
£25 - £28 per month	£301 - £350 per year	£325
£29 - £32 per month	£351 - £400 per year	£375
£33 - £37 per month	£401 - £450 per year	£425
£38 - £41 per month	£451 - £500 per year	£475
£42 - £45 per month	£501 - £550 per year	£525
£46 - £50 per month	£551 - £600 per year	£575
£50 - £54 per month	£601 - £650 per year	£625
£55 - £59 per month	£651 - £700 per year	£675
£60 - £64 per month	£701 - £750 per year	£725
£65 - £69 per month	£751 - £800 per year	£775
£70 - £75 per month	£801 - £900 per year	£850
£76 - £83 per month	£901 - £1,000 per year	£950
£84+ per month	£1,001+ per year	£1,050
I'm not sure		£161 (SS)
Prefer not to say		£161 (SS))

Next, please tell us about your perceptions of South Staffs Water.

Based on your total water and wastewater bill, we estimate that you pay **£xx per year to** South Staffs Water for your clean water only charges. **Please just think about the clean water at your home that comes through your taps and the services that South Staffs Water provides.**

Q12. How easy or difficult is it currently for your household to afford your water?

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult
6. Don't know

Q13. Now thinking about South Staffs Water again and using a 10-point scale, how much do you **trust** South Staffs Water to deliver its long-term investments plans from 2025-2030 and up to 2050?

0. I don't trust them at all
1.
2.
3.
4.
5. Neither trust nor distrust
6.
7.
8.
9.
10. I trust them completely
11. Don't know

Q14. Have you experienced any of the following in the last 2 to 3 years? Select all that apply. ROTATE

Had to raise a query about your water bill
Had to raise a query about a water meter or installing a meter
Needed to raise a customer service complaint, or one about your water supply
Discolouration of water coming out of your tap
A change to the taste and/or smell of your tap water
A problem relating to limescale in the water – such as a failure of an appliance, or stained taps/showerheads
A temporary loss of water supply - for more than one hour
A leak in the underground pipe that supplies water to your property from the mains pipe
Low water pressure
Flooding from a burst pipe
A hose pipe ban
Traffic disruption caused by water works
Other (please specify) **DO NOT ROTATE**
I haven't experienced any of these **DO NOT ROTATE**

Q15. Thinking ahead over the next 25 years, what is/will be most important to you/your household regarding your water supply and services?

<open text>

About South Staffs Water

- Serves 1.3 million people across 1,500 km²
- Supply 305 million litres of water per day to approx. 556,000 homes and almost 35,000 business properties
- Drinking water comes from 2 surface water sources (River Severn and Blithfield reservoir) and 20 underground water sources
- The South Staffs Water region is now classed by the Government as 'seriously water stressed'. This means that there is a high risk of the amount of water available not being enough to meet human demand.

- Merged with Cambridge Water in April 2013 and employ approximately 440 staff in Walsall and Cambridge
- As a household customer, you **can't** choose which company supplies your water
- **The amount of money that will go to shareholders between 2020 and 2025 is between 2% and 5% of customers' bills each year**

South Staffs Water is facing a number of big challenges in the future

- **Increased demand for water** due to rising population and property development.
  - population of the region being forecast to increase by **18%** by 2045
  - property development – **125,000** new homes are expected to be built by 2045.
- **Changing rainfall patterns** due to climate change leading to **higher risk of flooding or longer periods of drought.**
- Further **reducing leakage from pipes** – currently around **20%** of treated water is lost to leaks each day, which is about the same as the national average.

- **Reducing carbon emissions** to combat the impacts of global warming
- **Educating, informing and helping customers** to use less water and reuse more.
- **Protecting the water environment:** currently, only **14%** of rivers in England are classed by the Environment Agency as being in ecologically good condition.
- Ensuring services are **accessible** to all customers who need extra support and providing **financial support** and advice to customers who are struggling to pay their bills.

All whilst balancing the need for affordable water bills and ensuring the long-term resilience of water services to meet these challenges

In developing its future investment plans, South Staffs Water has to balance the needs of customers, stakeholders (e.g. councils, farmers, environmental groups and developers) and the water environment (i.e. rivers, streams, reservoirs and underground aquifers).

Any investment has to be balanced against three areas: ensuring bills are affordable for all customers; leaving the water environment in a better state for future generations and providing a resilient service in the face of changing weather patterns due to climate change.

We would like to understand your reaction towards some dilemmas that South Staffs Water faces in its approach to planning long term investments. Please indicate, using the sliding scales, where you feel the balance should lie in relation to the following areas:

Q16. Please click and then drag the slider where you feel the balance should lie in relation to the following areas?

Investing more now for the long-term future to 2050		Keeping customer bills as low as possible up to 2030
Preparing for the worst-case scenarios (for example investing so the water system can cope with extreme weather conditions such as droughts)		Wait and see what happens and react as needed
Trying new approaches and innovations to find solutions to challenges		Sticking to tried and trusted approaches that are proven to work
Spreading any costs to mantain and improve the service equally amongst all customers		Those who directly benefit from investments pay more for them (for example, local residents who might benefit from improvements to a nearby river etc. pay more on their bills to cover the cost of that work)
Spreading any costs to maintain and improve the service equally amongst all customers		Limiting what those who are struggling financially will pay (so those who are able to, pay more)

Doing more to reduce the amount of leakage from pipes even if it costs customers more		Keeping customer bills as low as possible
Doing more to reduce the company's 'carbon footprint' (the amount of carbon dioxide the company adds to the atmosphere through its operations) – even if it costs customers more		Keeping customer bills as low as possible

Section 4 – Ranked Investment Priorities

South Staffs Water's future investment plans need to address each of the following areas – called ambitions.

We have provided a summary of each below, so please read these carefully before answering the next question.

Ambition	Targets the company wants to achieve	Benefits
Improving water Quality	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year.	Fewer customers impacted by any unwanted changes to their water supply and even greater investments in treatment works lead to improved water quality.
Reducing supply Interruptions	Around 95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length. Longer interruptions have the potential to impact people's lives. The ambition is to reduce the **average** time a property is without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050.**	Customers will be **less likely to be impacted by their water supply being temporarily interrupted** for any period of time.

Lead Pipe Removal	To remove all lead pipes **by 2050**. There are estimated to be around **140,000** lead supply pipes across the region – the current replacement rate is around **1,000** pipes a year, mainly at higher priority properties – e.g. care homes and schools.	Removing all lead pipes means **no longer needing to treat the water** supply with chemical additives to make it safe. There will also be the **opportunity to address other issues while work takes place** – such as fitting water meters
Leakage Reduction	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from the 2017/18 figure).	Saving **37 million litres per day (equivalent to around 185,000 full bathtubs) by 2050** by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and a faster rate of renewing old pipes.
Drought Resilience	Reduce the chance of bringing in 'emergency drought order' restrictions from the **current 1 in 200 (or 0.5%)**, in any given year, down to a chance of **1 in 500 (or 0.2%) chance by 2040**. The last time this happened in this region was 1976 – e.g. use of stand pipes in streets to supply customers.	**Reduced likelihood of 'emergency drought orders'** being put in place by making the water supply more resilient to the increased risk of droughts happening, in part due to climate change.
Water Industry National Environmental Programme (WINEP) and biodiversity protection	Reduce the amount of water taken from the underground aquifers (which feed the chalk streams in the region) to meet human demand by **48 million litres per day (equivalent to 240,000 full bathtubs) by 2050.**	**Ensure more water environments (such as rivers and underground aquifers) have a healthy level of water flowing in them**. Investing in the WINEP helps the recovery of any damaged water environments and restores biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Reducing how much water we use at home and work	Aiming to meet two national targets detailed in the Environment Act: For households, reduce the average amount each person uses at home by **26% (from 148 litres per day in 2021/22 to 110 litres per day by 2050**). The Environment Act has also set water companies a target of reducing business water use by **9% by 2037**.	**Less water needs to be taken from the environment, treated and pumped to customers**. Every property having a meter means water usage can be better understood by the company and customers and help spot leaks faster and the company can offer customers advice, free water saving devices and different tariffs based on their water usage to help encourage people to use less.
Tackling water Poverty	By 2030, making sure **water bills are affordable for households where the water and sewerage bill is no more than 3% of its disposable income** (the industry target is currently 5%). To achieve the 3% target would mean supporting **90,000** households with their bills compared to the **52,450** supported currently through its Assure discount tariff.	**Ensuring that water bills are affordable for all** so that households struggling with their bills do not fall into debt and help reduce the risk of people having to prioritise using essential services – e.g. do I/we use less water or heating?
Offering better and smarter customer service	To be the **best performing company in the water sector for customer service by 2030**. To be the **best performing company in the utilities sector (energy, broadband, etc) by 2050**. So far in 2022/23, Ofwat's independent survey, showed the company is currently rated the 8th best out of 17.	**Pro-active customer service to fix failures before they happen so customers are not impacted** and allow customers to contact the company using the method they want, when they want. Give people more information about their water use and bills to help them have more control over how and when they use it.

Achieving Net Carbon Zero	Help the UK achieve its national target of net zero by 2050: • Net zero carbon emissions from the company's operations **by 2030** • Net Zero greenhouse gas emissions across all the company's and supplier's operations **by 2050**. "Net zero" means achieving a balance between the carbon put into the atmosphere and the amount taken out.	Help the UK achieve its national target of **net zero by 2050** to combat the impacts of climate change (e.g. drought, changing rainfall patterns) that can damage infrastructure, lead to restrictions on water use and cause water sources to dry up.

Q17. Thinking back to the information you have just read, you now have a total of 100 points to spread across the 10 ambitions. You can give as many points as you would like to each of the measures - you can give some to all of them, or only choose to share the points out to a selection, it all depends on what you think is most important for South Staffs Water to invest in. (the more points given the more priority it has), however the total must add up to 100. **ROTATE**

Please allocate your points across the 10 measures.

Improving water Quality
Reducing supply Interruptions
Lead Pipe Removal
Leakage Reduction
Drought Resilience
Water Industry National Environmental Programme (WINEP) and biodiversity protection
Reducing how much water we use at home and work
Tackling Water Poverty
Offering better and smarter customer service
Achieving Net Carbon Zero

Q18. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on its future investments. Please tell us why you think this ambition is the most important for South Staffs Water to invest in?

Improving Water Quality……
Reducing Supply Interruptions……..
Lead Pipe Removal……..
Leakage Reduction……
Drought Resilience……
Water Industry National Environmental Programme (WINEP) and biodiversity protection ……
How much water we use at home and work ……..
Tackling Water Poverty……
Offering better and smarter customer service……
Achieving Net Carbon Zero……

Section 5 – In Depth Exploration of Ambitions

At this point, the company can't provide very detailed costs all the way to 2050 to deliver its ambitions and targets. Costs can be worked out with a high degree of certainty over the next 5 years or so, but when looking further into the future there is a lot of uncertainty which needs to be considered and the company will look at the different options available and what these could cost when considering their long-term plans. For example, new technology emerging which makes things cheaper and/or quicker to do. Costs for materials and labour can also change a lot over time.

Within this study, we want to understand your views on which generations of customers should pay to deliver the ambitions and targets that customers want to see achieved – it's about what is fairest.

Investing now means that the ambition and the associated benefits can be delivered quicker. Making investments more slowly or delaying them means that the associated benefits of making them are delivered later. South Staffs Water will use your feedback alongside lots of other data and expert insights to make decisions about their investment plans to 2050.

We will now show you three ambitions in more detail. Please take the time to read through the information on each ambition and answer the follow-up questions.

Water Quality

Q19. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q20. Should the company spend more effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment so the water needs less treatment to make it safe, or increase spending faster to upgrade treatment works as quickly as possible to the latest treatments? Or look to invest in both areas equally?

1. More effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment
2. Increase spending to upgrade treatment works as quickly as possible to the latest treatments
3. Invest in both areas equally

Q21. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Leakage Reduction – industry ambition and now legal requirement in the latest Environment Act

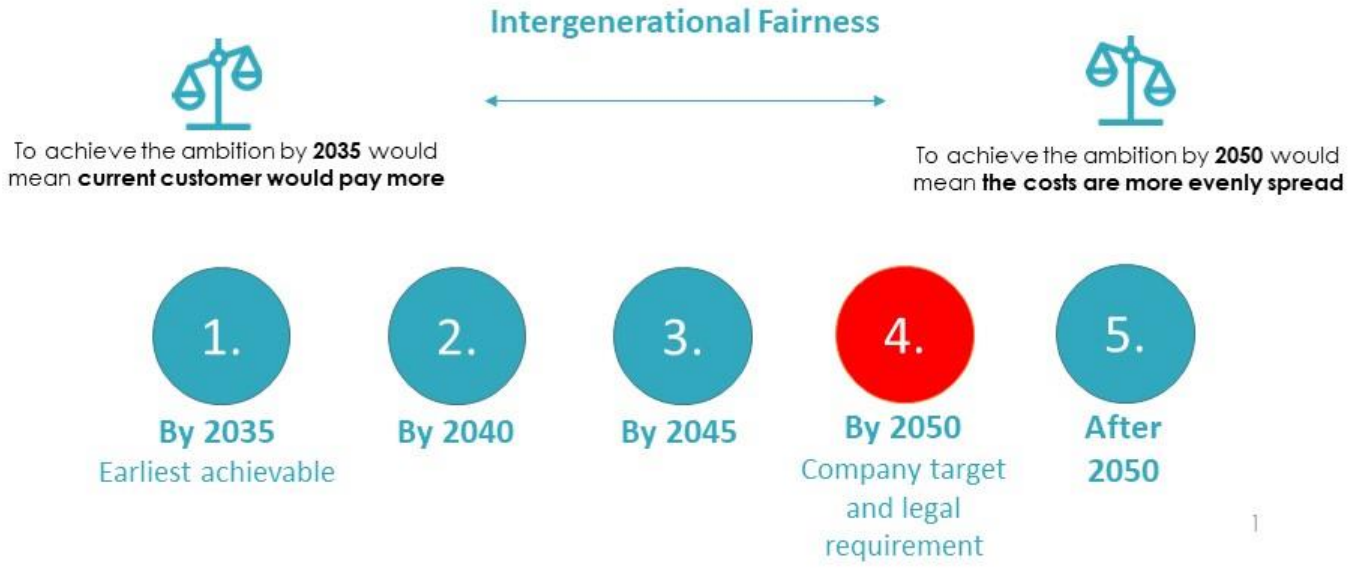
Ambition	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from 2017/18 figure)
Benefits	Saving **37 million litres per day by 2050** (or around 185,000 full bathtubs) by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and faster rate of renewing old pipes. Less wasted water means less needs to be taken from the water environment, and less needs to be treated and pumped to customers, which helps reduce costs over time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Invest now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall and reduce the amount of disruption (e.g. roadworks) caused to communities that happen when fixing leaks.

Even though it's a legal target, do you support this ambition? Do you want it achieved sooner?



Q19a. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (national legal requirement and company target)
Yes, after 2050

Q20a. Do you think South Staffs Water should invest in greater leakage reduction now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall?

Invest now
Wait for innovation

Q21a. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Lead Pipe Removal

Lead Pipe Removal – industry target of 2050.

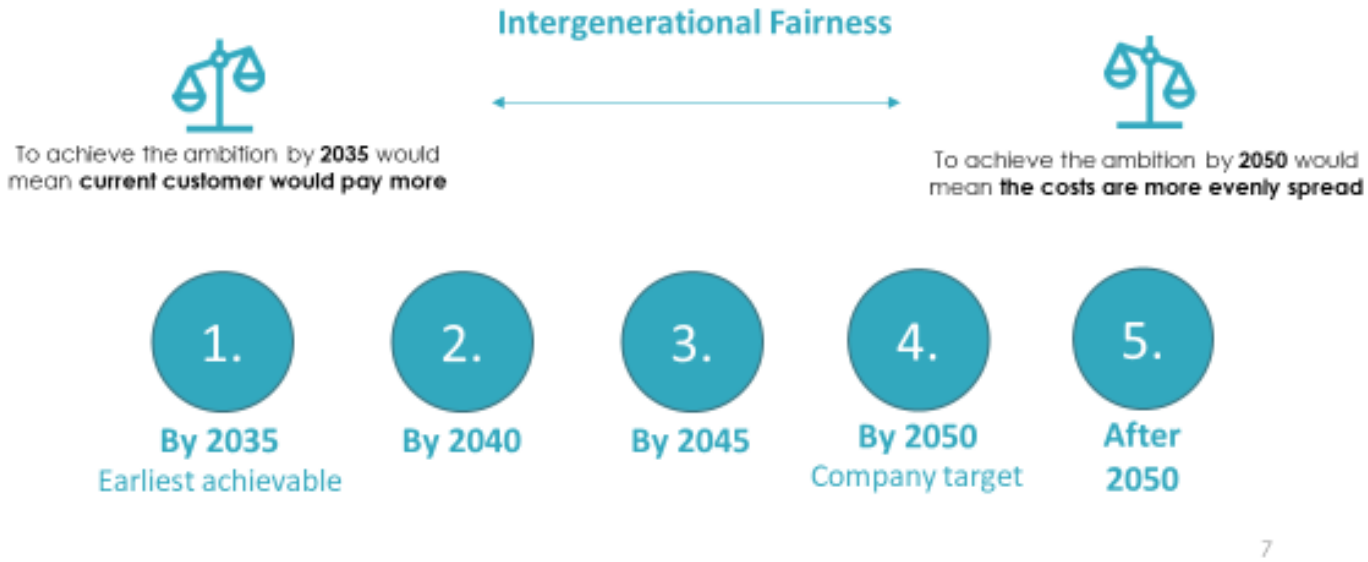
Ambition	To remove all lead pipes **by 2050**.
Benefits	Removing all lead pipes means no longer needing to treat the water supply with chemical additives to make it safe and any the very small risk of lead pipe causing health problems if it were to be badly damaged. Opportunity to address other issues while work takes place – such as situations where customers share supply pipes which can then be split to tackle low pressures problems, and being able to fit water meters.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forwards?

Innovation
Should the company invest now or wait for new technologies to avoid digging up the ground to replace pipes which will help reduce disruption to customers.

Should the company pursue this ambition, and if so, by when?



Q19b. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q20b. Approximately, 1 in 4 properties in the area have a lead supply pipe(s). Do you think these customers should pay the majority of costs to replace them or should the cost be spread evenly across all customers? It can cost over £1,000 to replace a lead pip to a single property?

Customers at the 1 in 4 properties who have a lead supply pipe(s) should pay the majority of costs to replace them
The costs should be spread evenly across all customers

Q21b. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Supply Interruptions

Supply Interruptions – no specific legal targets

Ambition	95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length. These interruptions can really impact people's lives. The ambition is to reduce the average time a property is without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050**
Benefits	Customers, both households and businesses, will be less likely to be impacted by their water supply being temporarily interrupted for any period of time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovations
Should the company invest earlier in new technologies which avoid digging up the ground to replace pipes to reduce disruption to customers and continue investing in a full smart network that identifies bursts before they happen so they can be fixed and not impact customers?

Should the company pursue this ambition, and if so, by when?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

3

Q19c. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q20c. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

WINEP

Water Industry National Environmental Programme / Biodiversity protection – WINEP is a mandatory target for all water companies

Ambition	Ensure more water environments (such as rivers and underground aquifers) have healthy level of water flowing in them by reducing the water it takes from them to meet human demand by **48 million litres per day by 2050** (equivalent to 240,000 full bathtubs) – current daily demand for water is around 325 million litres (or 1.6 million bathtubs).
Benefits	More water environments to have a healthy level of water flowing in them. Taking less water for human need, helps recovery of any damaged water environments. Investing in the WINEP helps restore biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Considerations

Do you want the company to go further than its mandatory targets reducing the amount of water it takes by 2050 and protecting and restoring the water environments that are under greatest threat, such as rivers and wetlands on sites of special scientific interest and adopt a greater protection for the vast majority or all water environments?

Intergenerational Fairness
Should going further than the mandatory requirements be timed to spread the cost over a longer period of time, or brought forward?

Even though the WINEP is a mandatory programme each year, do you support this ambition? Do you want it achieved sooner?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Mandatory target for all water companies
5. **After 2050**

4

Q19d. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (mandatory target for all water companies)
Yes, after 2050

Q20d. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

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Section 6

Finally, a few questions about you. This information will help us to better understand your responses.

Q22. Which of the following statements, regarding the environment, apply to you? Please select all that apply.

I am an active member of an environmental / conservation organisation - e.g. Friends of the Earth, WWF, Extinction Rebellion, etc.
I support or donate to environmental organisations
I am involved with helping national or local initiatives to protect and improve the environment – e.g. volunteering, organising etc.
I actively encourage friends/colleagues to be more environmentally conscious
I actively make sure that I recycle as much as possible
I have lobbied politicians and/or signed petitions on environmental topics
I actively stay up to date with the latest environmental news/research
I regularly spend time enjoying the environment – walks in the countryside, spending time at rivers, lakes or reservoirs
None of the above

Q23. Now using a 10-point scale, where 1 is strongly disagree and 10 is strongly agree, how strongly do you agree or disagree with how the following statements apply to you and your life generally?

	1 – strongly disagree	2	3	4	5	6	7	8	9	10 - strongly agree
I am conscious of the world around me ((e.g. air and water quality, plants and animals) and how people are living (e.g. health, politics, community)) and think we all need to look after it for future generations										
Water is a precious resource and I'm careful about how much I use										
I'm prepared to switch supplier(s) every year to get the best price										

Q24. Which one of the following statements most closely applies to your use of water in your household?

I/We don't know how much we use, and we don't think about it
I/We don't know how much we use, but we are conscious about it
I/We're careful about how much we use because we want to keep our bill down
I/We're careful about how much we use because we don't think we should waste water

Q25. Do you have a water meter at your home? **SINGLE CODE. PROBE FOR CORRECT CODE.**

1. Yes – I/we asked to have one installed
2. Yes – it was already in the property when I/we moved in
3. Yes – we had to have one fitted, but we didn't really want it installed
4. No – and I/we not interested in getting one
5. No – but I/we are considering getting one
6. No – I/we had one, but decided to opt out
7. Don't Know

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Q26. Which of these groups best reflects your background?

White

British

Irish

Any other White background

Mixed

White and Black Caribbean

White and Black African

White and Asian

Any other Mixed background

Asian or Asian British

Indian

Pakistani

Bangladeshi

Any other Asian background

Black or Black British

Caribbean

African

Any other Black background

Chinese or Other Ethnic Group

Chinese

Any other ethnic group

Prefer not to say

Q27. A person's personal circumstances can affect their needs from a water supplier. It's important that South Staffs Water can offer the right support. In the last 12 months, have you or anyone in your household experienced any of the following? (Prompt to say: remember all your answers will be confidential) **READ OUT - MULTICODE**

1. Serious illness
2. Disability (where you are registered disabled)
3. Severe financial hardship
4. Bereavement of a close family member
5. Divorce
6. Moving house
7. Unemployment
8. Mental health condition
9. Something else which has affected your well-being (Specify)
10. None of these **EXCLUSIVE**
11. Prefer not to say **EXCLUSIVE**

Q28. We want to take account of the views of people on all incomes. Could you tell me which of the following annual income bands your household falls into? Please take into account the income of all of those in the household before tax and national insurance and include pensions, benefits or extra earnings. **SINGLE CODE**

	Per Week	Per Year
A	Up to £367	Under £19,100
B1	£367-£442	£19,100 - £23,000
B2	£442-£721	£23,001 - £37,500
B3	£721-£1000	£37,501 - £52,000
C	£1001+	£52,001+
D	Prefer not to say	

Q29. On a scale of 1 to 5, where 5 is very good and 1 is very bad, using the rating scale below please let us know how you would rate each of the following about this study. We will use this feedback to help us make improvements in the future.

RANDOMISE	**1 Very Bad**	**2**	**3**	**4**	**5 Very Good**
Length of study					
I understood what I was being asked to comment on					

Q30. We really appreciate the time that you have given us today. Would you be willing to be contacted again by Turquoise for clarification purposes, or to be invited to take part in other related research for South Staffs Water? **SINGLE CODE**

1. Yes, for both clarification and further related research
2. Yes, for clarification only
3. Yes, for further related research only
4. No

Q31. Would you like to join South Staffs Water's online community?

South Staffs Water's new on-line community is called H_2Online. The community allows their customers to take part in activities to help shape their future plans and also hear about how this feedback is being used to improve the service for customers*

1. Yes
2. No

(If yes) Please provide your email address so that we can contact you:

.....

*By ticking 'Yes' you give permission for Turquoise to share your e-mail address with SSW/CAM. This will be held securely and will only be used to invite you to join the on-line community in the coming days.

Q32. Thank you for taking the time to give your feedback. Please select how you would like to receive your £5 thank you:

Love2Shop voucher – accepted at more than 50 popular brands, including online shops, high street favourites and delivery services
Donation to Water Aid – a charity who works globally to ensure more people have access to clean water every day
Donation to The Trussell Trust – who run a nationwide network of food banks

Finally, please can we take a note of your name and where we can contact you for the purposes you agreed to (H20 Online sign-up, the £5 thank you voucher or charity donation)?

Respondent name: ……
Respondent telephone: ……
Respondent email: ……

Thank you for your time and valuable feedback.

Online Introduction.

Welcome to the Study

Thank you for agreeing to take part in this important study which is being conducted by Turquoise on behalf of Cambridge Water.

Every five years, all water companies in England and Wales submit a business plan to Ofwat (the water industry regulator who oversees the funding of the water industry). The plan sets out targets for improving lots of areas related to your water supply and services, and outlines what the company is allowed to charge customers in their water bills to deliver service improvements against agreed targets.

The next 5 year plan, covering the period 2025 to 2030, is the first stepping stone in the journey to delivering a number of long-term ambitions that Cambridge Water is planning to make up to 2050.

This study asks for your views as a customer on what you believe the **priorities for long term investment should be**, **when Cambridge Water** should make major investments in its service performance, and **who should pay** for these investments between the different generations of customers and those who will pay water bills in the future.

The findings will inform the company's conversation with Ofwat on what its investment plans to deliver these improvements will be between 2025 and 2050.

This is a genuine market research exercise being conducted under the Market Research Society's Code of Conduct. This means that any answers you give will be treated in total confidence. Please be assured that any data collected during this survey will be held securely and will not be shared with any third party unless you give permission. Turquoise Thinking's privacy statement is available here.

Do you agree to proceeding with the interview on this basis?

Yes
No **THANK & CLOSE**

Section 1

We want to hear from different types of businesses to make sure we get balanced feedback, so we would like to start by spending a couple of minutes finding out more about your organisation. It should then take no more than 15 minutes to give your feedback, although it may take longer depending on the answers you give. You do not have to answer any questions that you don't want to, and you can also stop taking part in the study at any point.

So let's get going….

Q1. Could I confirm that you are you the person, or one of the people, in the business who deals with your wholesale water supplier and/or pays the water bills? **MULTICODE**

Yes, I deal with the water supplier
Yes, I pay the water bill
No, this is dealt with at head office/at another office/by someone else **THANK AND CLOSE**
Don't know **THANK AND CLOSE**

Q2. Does your business operate from a home/residential premises or from a separate business premises?

Home/residential premises **THANK AND CLOSE**
Separate business premises

Q3. Is your business billed directly by your water company for the service they supply or is it included in your rent?

Billed directly
Included in rent **THANK AND CLOSE**

Q4. What sector would you say your business is most closely related to? **DO NOT PROMPT – CLARIFY USING LIST – SINGLE RESPONSE**

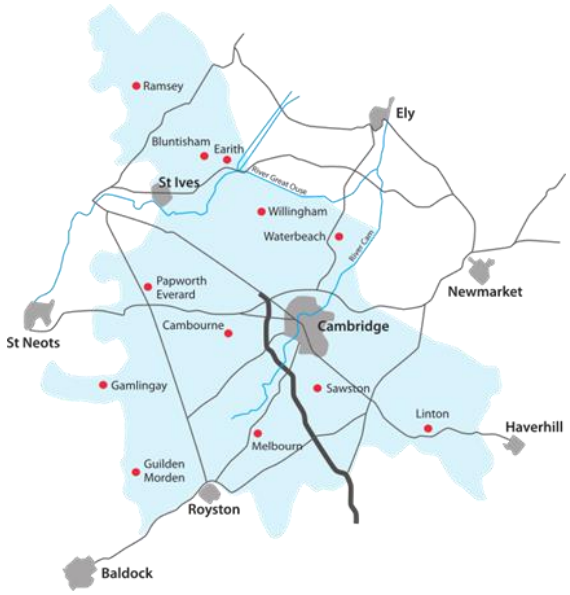
Agriculture, forestry & fishing
Mining, quarrying & utilities
Manufacturing
Construction
Motor trades
Wholesale
Retail
Transport & storage (inc. postal)
Accommodation & food services
Information & communication
Financial & insurance
Property
Professional, scientific & technical
Business administration & support services
Public administration & defence
Education
Health
Arts, entertainment, recreation & other services
Charity
Don't know **THANK AND CLOSE**

Q5. Do you or any of your close family work in market research or for a water company (including working for Cambridge Water)? **SINGLE CODE**

Yes **THANK & CLOSE**
No

Q6. How many sites does your business have where the clean water is supplied by Cambridge Water? *If you have sites in areas that are not served by either company, do not include them in your response.*

Just this site
Two
Three
Four
Five
Six
Seven
Eight
Nine
Ten
Eleven or more
None in these areas **THANK & CLOSE**
Don't know



Q7. How many people does your organisation employ across any sites where clean water is supplied by Cambridge Water? **DO NOT PROMPT**

I have no other employees, there is just myself (sole trader)
2 to 9
10 to 49
50 to 249
250 or more
Don't know **THANK AND CLOSE**

Q8. Can you please tell me what your postcode for your main organisation office is? We will only use this to check who provides your water.

……

Cambridge Water:

CB
IP
LE
PE
SG

Prefer not to answer **THANK & CLOSE**
None of the above area codes **THANK & CLOSE**

Main Questionnaire

Section 2

Q9. How much in total do you pay for your water and wastewater services?

Please only answer in one box, either per month or per year, and answer as accurately as possible as your bill amount will be used in later questions. If you are unsure of your bill amount, please leave both boxes blank and click next.

Please select "per month" or "per year" and put in your bill amount.

Per month **GO TO 12**
Per year **GO TO 12**
I'm not sure **GO TO 11**

The image below shows you more about how your total water and wastewater bill is split, which is how we have worked out how much your clean water charges are from Cambridge Water .

Understanding your water and waste water bill

You receive your water and waste water bill from Cambridge Water. However, Cambridge Water only provide you with the services related to your water supply - i.e. the supply of water through the taps to your property.

Your waste water service is provided by Anglian Water and they are responsible for taking the dirty water away from your property.

63%

of your bill goes to Anglian Water and is used to take the dirty water and sewerage away from your property and for the management and operation of the sewer network

37%

of your bill goes to Cambridge Water and is used to provide you with a safe, high quality water supply every time you turn on the tap

Please note

When we ask you questions about your bill today, remember to just think about the part of your bill related to your clean water services

Cambridge Water

Q10. If you aren't sure exactly how much your total water and wastewater bill is, please indicate which of the following bands best represents how much you pay?

Monthly	Annual	Midpoint for bill calc
Less than £13 per month	Less than £150 per year	£100
£13 - £16 per month	£151 - £200 per year	£175
£17 - £20 per month	£201 - £250 per year	£225
£21 - £24 per month	£251 - £300 per year	£275
£25 - £28 per month	£301 - £350 per year	£325
£29 - £32 per month	£351 - £400 per year	£375
£33 - £37 per month	£401 - £450 per year	£425
£38 - £41 per month	£451 - £500 per year	£475
£42 - £45 per month	£501 - £550 per year	£525
£46 - £50 per month	£551 - £600 per year	£575
£50 - £54 per month	£601 - £650 per year	£625
£55 - £59 per month	£651 - £700 per year	£675
£60 - £64 per month	£701 - £750 per year	£725
£65 - £69 per month	£751 - £800 per year	£775
£70 - £75 per month	£801 - £900 per year	£850
£76 - £83 per month	£901 - £1,000 per year	£950
£84+ per month	£1,001+ per year	£1,050
I'm not sure		£161 (SS) : £147.63 (CAM)
Prefer not to say		£161 (SS) : £147.63 (CAM)

Based on your total water and wastewater bill, we estimate that you pay **£xx per year to** Cambridge Water for your clean water only charges.

When answering from now on, please just think about the clean water at your home that comes through your taps and the services that Cambridge Water provides. Your sewerage/wastewater services are supplied by another company called Anglian Water.

Next, please tell us about your perceptions of Cambridge Water.

Based on your total water and wastewater bill, we estimate that you pay **£xx per year to** Cambridge Water for your clean water only charges.

Q11. How much do you agree or disagree that the **clean water charges** that you currently pay **are affordable** for you?

1. Strongly disagree
2. Tend to disagree
3. Neither agree nor disagree
4. Tend to agree
5. Strongly agree
6. Don't know

Q12. Now thinking about Cambridge Water again and using a 10-point scale, how much do you **trust** Cambridge Water to deliver its long-term investments plans from 2025-2030 and up to 2050?

12. I don't trust them at all
13.
14.
15.
16.

17. Neither trust nor distrust
18.
19.
20.
21.
22. I trust them completely
23. Don't know

Q13. Have you experienced any of the following in the last 2 to 3 years? Select all that apply. ROTATE

Had to raise a query about your water bill
Had to raise a query about a water meter or installing a meter
Needed to raise a customer service complaint, or one about your water supply
Discolouration of water coming out of your tap
A change to the taste and/or smell of your tap water
A problem relating to limescale in the water – such as a failure of an appliance, or stained taps/showerheads
A temporary loss of water supply - for more than one hour
A leak in the underground pipe that supplies water to your property from the mains pipe
Low water pressure
Flooding from a burst pipe
A hose pipe ban
Traffic disruption caused by water works
Other (please specify) **DO NOT ROTATE**
I haven't experienced any of these **DO NOT ROTATE**

Q14. Thinking ahead over the next 25 years, what is/will be important to you/your household regarding your water supply and services?

<open text>

Section 3 Future Investment Attitudes

About Cambridge Water

- Serves almost 360,000 people across 1,175sq km
- Supply close to 83 million litres of water per day to approx. 140,000 homes and almost 9,000 business properties
- Drinking water comes from 23 underground water sources
- The Cambridge Water region is now classed by the Government as 'seriously water stressed'. This means that there is a high risk of the amount of water available not being enough to meet human demand.

- As a household customer, you **can't** choose which company supplies your water
- Merged with South Staffs Water in April 2013 and employ approximately 440 staff in Walsall and Cambridge
- **The amount of money that will go to shareholders between 2020 and 2025 is between 2% - 5% of customers' bills each year**

Cambridge Water is facing a number of big challenges in the future

- **Increased demand for water due to:**
  - population of the region being forecast to increase by **19%** by 2045
  - property development – **46,500** new homes are expected to be built by 2045.
- **Changing rainfall patterns** due to climate change leading to **higher risk of flooding or longer periods of drought**
- Further **reducing leakage from pipes** – currently around **16%** of treated water is lost to leaks each day, which is below the national average of 20%.

- **Reducing carbon emissions** to combat the impacts of global warming.
- **Educating, informing and helping customers** to use less water and reuse more.
- **Protecting the water environment:** currently, only **14%** of rivers in England are classed by the Environment Agency as being in ecologically good condition.
- Ensuring services are **accessible** to all customers who need extra support and providing **financial support** and advice to customers who are struggling to pay their bills.

All whilst balancing the need for affordable water bills and ensuring the long-term resilience of water services to meet these challenges

In developing its future investment plans, Cambridge Water has to balance the needs of customers, stakeholders (e.g. councils, farmers, environmental groups and developers) and the water environment (i.e. rivers, streams, reservoirs and underground aquifers).

Any investment has to be balanced against three areas: ensuring bills are affordable for all customers; leaving the water environment in a better state for future generations and providing a resilient service in the face of changing weather patterns due to climate change.

We would like to understand your reaction towards some dilemmas that Cambridge Water faces in its approach to planning long term investments. Please indicate, using the sliding scales, where you feel the balance should lie in relation to the following areas:

Q15. Please indicate, using the sliding scales, where you feel the balance should lie in relation to the following areas?

Investing more now for the long-term future to 2050	⟷	Keeping customer bills as low as possible up to 2030
Preparing for the worst-case scenarios (for example investing so the water system can cope with extreme weather conditions such as droughts)	⟷	Wait and see what happens and react as needed
Trying new approaches and innovations to find solutions to challenges	⟷	Sticking to tried and trusted approaches that are proven to work
Spreading any costs to mantain and improve the service equally amongst all customers	⟷	Those who directly benefit from investments pay more for them (for example, local residents who might benefit from improvements to a nearby river etc. pay more on their bills to cover the cost of that work)

Spreading any costs to maintain and improve the service equally amongst all customers		Limiting what those who are struggling financially will pay (so those who are able to, pay more)
Doing more to reduce the amount of leakage from pipes even if it costs customers more		Keeping customer bills as low as possible
Doing more to reduce the company's 'carbon footprint' (the amount of carbon dioxide the company adds to the atmosphere through its operations) – even if it costs customers more		Keeping customer bills as low as possible

Section 4 – Ranked Investment Priorities

Cambridge Water's future investment plans need to address each of the following areas – called ambitions.

We have provided a summary of each below so please read these carefully before answering the next question.

Ambition	Targets the company wants to achieve	Benefits
Improving Water Quality	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year.	Fewer customers impacted by any unwanted changes to their water supply and even greater investments in treatment works lead to improved water quality.
Reducing Supply Interruptions	Around 95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length. Longer interruptions have the potential to impact people's lives. The ambition is to reduce the **average** time a property is without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050.**	Customers will be **less likely to be impacted by their water supply being temporarily interrupted** for any period of time.

Lead Pipe Removal	To remove all lead pipes **by 2050**. There are estimated to be around **36,000** lead supply pipes across the region – the current replacement rate is around **90** pipes a year, mainly at higher priority properties – e.g. care homes and schools.	Removing all lead pipes means **no longer needing to treat the water** supply with chemical additives to make it safe. There will also be the **opportunity to address other issues while work takes place** – such as fitting water meters
Leakage Reduction	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from the 2017/18 figure).	Saving **7.3 million litres per day (equivalent to 36,000 full bathtubs**) **by 2050** by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and a faster rate of renewing old pipes.
Drought Resilience	Reduce the chance of bringing in 'emergency drought order' restrictions from the **current 1 in 200 (or 0.5%)**, in any given year, down to a chance of **1 in 500 (or 0.2%) chance by 2040**. The last time this happened in this region was 1976 – e.g. use of stand pipes in streets to supply customers.	**Reduced likelihood of 'emergency drought orders'** being put in place by making the water supply more resilient to the increased risk of droughts happening, in part due to climate change.
Water Industry National Environmental Programme (WINEP) and biodiversity protection	Reduce the amount of water taken from the underground aquifers (which feed the chalk streams in the region) to meet human demand by **50 million litres per day (equivalent to 250,000 full bathtubs) by 2050.** This will partly be achieved by building a new reservoir.	**More water environments, including chalk streams, to have a healthy level of water flowing in them**. Investing in the WINEP helps the recovery of any damaged water environments and restores biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Reducing how much water we use at home and work	Aiming to meet two national targets detailed in the Environment Act: For households, reduce the average amount each person uses at home by **22% (from 141 litres per day in 2021/22 to 110 litres per day by 2050**). The Environment Act has also set water companies a target of reducing business water use by **9% by 2037**.	**Less water needs to be taken from the environment, treated and pumped to customers**. Every property having a meter means water usage can be better understood by the company and customers and help spot leaks faster and the company can offer customers advice, free water saving devices and different tariffs based on their water usage to help encourage people to use less.
Tackling water Poverty	By 2030, making sure **water bills are affordable for households where the water and sewerage bill is no more than 3% of its disposable income** (the industry target is currently 5%). To achieve the 3% target would mean supporting **90,000** households with their bills compared to the **52,450** supported currently through its Assure discount tariff.	**Ensuring that water bills are affordable for all** so that households struggling with their bills do not fall into debt and help reduce the risk of people having to prioritise using essential services – e.g. do I/we use less water or heating?
Offering better and smarter customer service	To be the **best performing company in the water sector for customer service by 2030**. To be the **best performing company in the utilities sector (energy, broadband, etc) by 2050**. So far in 2022/23, Ofwat's independent survey, showed the company is currently rated the 8th best out of 17.	**Pro-active customer service to fix failures before they happen so customers are not impacted** and allow customers to contact the company using the method they want, when they want. Give people more information about their water use and bills to help them have more control over how and when they use it.

Achieving Net Carbon Zero	Help the UK achieve its national target of net zero by 2050: • Net zero carbon emissions from the company's operations **by 2030** • Net Zero greenhouse gas emissions across all the company's and supplier's operations **by 2050**. "Net zero" means achieving a balance between the carbon put into the atmosphere and the amount taken out.	Help the UK achieve its national target of **net zero by 2050** to combat the impacts of climate change (e.g. drought, changing rainfall patterns) that can damage infrastructure, lead to restrictions on water use and cause water sources to dry up.

Q16. Thinking back to the information you have just read, you now have a total of 100 points to spread across the 10 ambitions. You can give as many points as you would like to each of the measures - you can give some to all of them, or only choose to share the points out to a selection, it all depends on what you think is most important for Cambridge Water to invest in. (the more points given the more priority it has), however the total must add up to 100. **ROTATE**

Please allocate your points across the 10 measures.

Improving water Quality
Reducing supply Interruptions
Lead Pipe Removal
Leakage Reduction
Drought Resilience
Water Industry National Environmental Programme (WINEP) and biodiversity protection
Reducing how much water we use at home and work
Tackling Water Poverty
Offering better and smarter customer service
Achieving Net Carbon Zero

turquoise

Q17. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on its future investments. Please tell us why you think this ambition is the most important for Cambridge Water to invest in?

Improving Water Quality……
Reducing Supply Interruptions……..
Lead Pipe Removal……..
Leakage Reduction……
Drought Resilience……
Water Industry National Environmental Programme (WINEP) and biodiversity protection ……
How much water we use at home and work ……..
Tackling Water Poverty……
Offering better and smarter customer service……
Achieving Net Carbon Zero……

Section 5 – In Depth Exploration of Ambitions

At this point, the company can't provide very detailed costs all the way to 2050 to deliver its ambitions and targets. Costs can be worked out with a high degree of certainty over the next 5 years or so, but when looking further into the future there is a lot of uncertainty which needs to be considered and the company will look at the different options available and what these could cost when considering their long-term plans. For example, new technology emerging which makes things cheaper and/or quicker to do. Costs for materials and labour can also change a lot over time.

Within this study, we want to understand your views on which generations of customers should pay to deliver the ambitions and targets that customers want to see achieved – it's about what is fairest.

Investing now means that the ambition and the associated benefits can be delivered quicker. Making investments more slowly or delaying them means that the associated benefits of making them are delivered later. Cambridge Water will use your feedback alongside lots of other data and expert insights to make decisions about their investment plans to 2050.

We will now show you three ambitions in more detail. Please take the time to read through the information on each ambition and answer the follow-up questions.

Water Quality

Water Quality – there are no specific industry or legal targets for customer contacts

Ambition	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year
Benefits	Fewer customers impacted by any unwanted changes to their water supply and improved water quality

Considerations

Water quality standards
The company will always invest in its treatment works to ensure drinking water is safe and prioritise meeting its legal requirements to ensure it does not fail any of the 1000's of water quality tests carried out each year. This ambition is about the number of customers querying the quality of their water.

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Should the company spend money on innovation to achieve this ambition ASAP, or wait for treatment innovations?

Should the company pursue this ambition, and if so, by when?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Company target
5. **After 2050**

5

Q18. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q19. Should the company spend more effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment so the water needs less treatment to make it safe, or increase spending faster to upgrade treatment works as quickly as possible to the latest treatments? Or look to invest in both areas equally?

1. More effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment
2. Increase spending to upgrade treatment works as quickly as possible to the latest treatments
3. Invest in both areas equally

Q20. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Leakage Reduction

Leakage Reduction – industry ambition and now legal requirement in the latest Environment Act

Ambition	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from 2017/18 figure)
Benefits	Saving **7.3 million litres per day by 2050** (or around 36,000 full bathtubs) by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and faster rate of renewing old pipes. Less wasted water means less needs to be taken from the water environment, and less needs to be treated and pumped to customers, which helps reduce costs over time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Invest now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall and reduce the amount of disruption (e.g. roadworks) caused to communities that happen when fixing leaks.

Even though it's a legal target, do you support this ambition? Do you want it achieved sooner?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Company target and legal requirement
5. **After 2050**

2

Q19a. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (national legal requirement and company target)
Yes, after 2050

Q20a. Do you think Cambridge Water should invest in greater leakage reduction now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall?

Invest now
Wait for innovation

Q21a. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Lead Pipe Removal – industry target of 2050.

Ambition	To remove all lead pipes **by 2050**.
Benefits	Removing all lead pipes means no longer needing to treat the water supply with chemical additives to make it safe and any the very small risk of lead pipe causing health problems if it were to be badly damaged. Opportunity to address other issues while work takes place – such as situations where customers share supply pipes which can then be split to tackle low pressures problems, and being able to fit water meters.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Should the company invest now or wait for new technologies to avoid digging up the ground to replace pipes which will help reduce disruption to customers.

Should the company pursue this ambition, and if so, by when?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Company target
5. **After 2050**

8

Q19b. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q20b. Approximately, 1 in 4 properties in the area have a lead supply pipe(s). Do you think these customers should pay the majority of costs to replace them or should the cost be spread evenly across all customers? It can cost over £1,000 to replace a lead pip to a single property?

Customers at the 1 in 4 properties who have a lead supply pipe(s) should pay the majority of costs to replace them
The costs should be spread evenly across all customers

Q21b. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Supply Interruptions – no specific legal targets

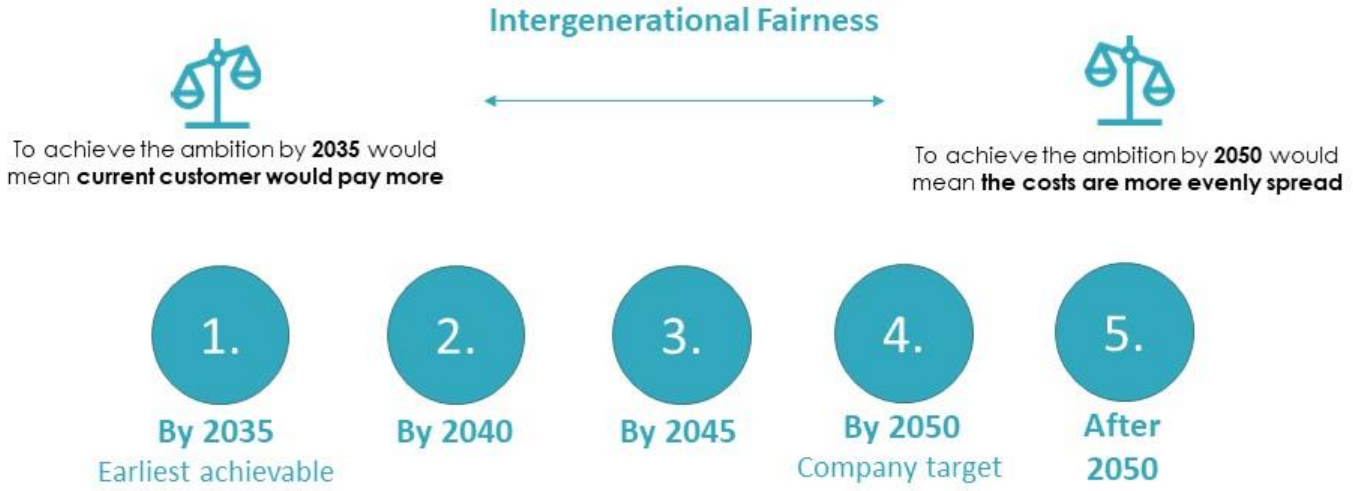
Ambition	95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length. These interruptions can really impact people's lives. The ambition is to reduce the average time a property is without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050**
Benefits	Customers, both households and businesses, will be less likely to be impacted by their water supply being temporarily interrupted for any period of time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovations
Should the company invest earlier in new technologies which avoid digging up the ground to replace pipes to reduce disruption to customers and continue investing in a full smart network that identifies bursts before they happen so they can be fixed and not impact customers?

Should the company pursue this ambition, and if so, by when?



3

Q19c. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q20c. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

WINEP

Water Industry National Environmental Programme / Biodiversity protection – WINEP is a mandatory target for all water companies

Ambition	Ensure more water environments (such as rivers and underground aquifers) have healthy level of water flowing in them by reducing the water it takes from them to meet human demand by **50 million litres per day by 2050** – current daily demand for water is around 83 million litres (or 400,000 bathtubs). This will partly be achieved by building a new reservoir
Benefits	More water environments to have a healthy level of water flowing in them. Taking less water for human need, helps recovery of any damaged water environments. Investing in the WINEP helps restore biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Considerations

Do you want the company to go further than its mandatory targets reducing the amount of water it takes by 2050 and protecting and restoring the water environments that are under greatest threat, such as undertaking multiple detailed investigations of 77km of chalk streams between 2025-2028 to understand which underground aquifers they need to take less water from and when.

Intergenerational Fairness
Should going further than the mandatory requirements be timed to spread the cost over a longer period of time, or brought forward?

Even though the WINEP is a mandatory programme each year, do you support this ambition? Do you want it achieved sooner?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Mandatory target for all water companies
5. **After 2050**

5

Q19d. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (mandatory target for all water companies)
Yes, after 2050

Q20d. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

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Section 6

Finally, a few questions about you. This information will help us to better understand your responses.

Q21. Which of the following statements, regarding the environment, apply to you? Please select all that apply.

I am an active member of an environmental / conservation organisation - e.g. Friends of the Earth, WWF, Extinction Rebellion, etc.
I support or donate to environmental organisations
I am involved with helping national or local initiatives to protect and improve the environment – e.g. volunteering, organising etc.
I actively encourage friends/colleagues to be more environmentally conscious
I actively make sure that I recycle as much as possible
I have lobbied politicians and/or signed petitions on environmental topics
I actively stay up to date with the latest environmental news/research
I make a conscious effort to eat more sustainably
I regularly spend time enjoying the environment – walks in the countryside, spending time at rivers, lakes or reservoirs
None of the above

Q22. Now using a 10-point scale, where 1 is strongly disagree and 10 is strongly agree, how strongly do you agree or disagree with how the following statements apply to you and your life generally?

	1 – strongly disagree	2	3	4	5	6	7	8	9	10 - strongly agree
I am conscious of the world around me ((e.g. air and water quality, plants and animals) and how people are living (e.g. health, politics, community)) and think we all need to look after it for future generations										
Water is a precious resource and I'm careful about how much I use										
I'm prepared to switch supplier(s) every year to get the best price										

Q23. Which one of the following statements most closely applies to your use of water in your household?

I/We don't know how much we use, and we don't think about it
I/We don't know how much we use, but we are conscious about it
I/We're careful about how much we use because we want to keep our bill down
I/We're careful about how much we use because we don't think we should waste water

Q24. Do you have a water meter at your home? **SINGLE CODE. PROBE FOR CORRECT CODE.**

8. Yes – I/we asked to have one installed
9. Yes – it was already in the property when I/we moved in
10. Yes – we had to have one fitted, but we didn't really want it installed
11. No – and I/we not interested in getting one
12. No – but I/we are considering getting one
13. No – I/we had one, but decided to opt out
14. Don't Know

Q25. Which of these groups best reflects your background?

White

British

Irish

Any other White background

Mixed

White and Black Caribbean

White and Black African

White and Asian

Any other Mixed background

Asian or Asian British

Indian

Pakistani

Bangladeshi

Any other Asian background

Black or Black British

Caribbean

African

Any other Black background

Chinese or Other Ethnic Group

Chinese

Any other ethnic group

Prefer not to say

Q26. A person's personal circumstances can affect their needs from a water supplier. It's important that Cambridge Water can offer the right support. In the last 12 months, have you or anyone in your household experienced any of the following? (Prompt to say: remember all your answers will be confidential) **READ OUT - MULTICODE**

12. Serious illness
13. Disability (where you are registered disabled)
14. Severe financial hardship
15. Bereavement of a close family member
16. Divorce
17. Moving house
18. Unemployment
19. Mental health condition
20. Something else which has affected your well-being (Specify)
21. None of these **EXCLUSIVE**
22. Prefer not to say **EXCLUSIVE**

Q27. We want to take account of the views of people on all incomes. Could you tell me which of the following annual income bands your household falls into? Please take into account the income of all of those in the household before tax and national insurance and include pensions, benefits or extra earnings. **SINGLE CODE**

	Per Week	Per Year
A	Up to £367	Under £19,100
B1	£367-£442	£19,100 - £23,000
B2	£442-£721	£23,001 - £37,500
B3	£721-£1000	£37,501 - £52,000
C	£1001+	£52,001+
D	Prefer not to say	

Q28. On a scale of 1 to 5, where 5 is very good and 1 is very bad, using the rating scale below please let us know how you would rate each of the following about this study. We will use this feedback to help us make improvements in the future.

RANDOMISE	1 Very Bad	2	3	4	5 Very Good
Length of study					
I understood what I was being asked to comment on					

Q29. We really appreciate the time that you have given us today. Would you be willing to be contacted again by Turquoise for clarification purposes, or to be invited to take part in other related research for Cambridge Water? **SINGLE CODE**

5. Yes, for both clarification and further related research
6. Yes, for clarification only
7. Yes, for further related research only
8. No

Q30. Would you like to join Cambridge Water's online community?

Cambridge Water's new on-line community is called H_2Online. The community allows their customers to take part in activities to help shape their future plans and also hear about how this feedback is being used to improve the service for customers*

3. Yes
4. No

(If yes) Please provide your email address so that we can contact you:

.....

*By ticking 'Yes' you give permission for Turquoise to share your e-mail address with SSW/CAM. This will be held securely and will only be used to invite you to join the on-line community in the coming days.

Q31. Thank you for taking the time to give your feedback. Please select how you would like to receive your £5 thank you:

Love2Shop voucher – accepted at more than 50 popular brands, including online shops, high street favourites and delivery services
Donation to Water Aid – a charity who works globally to ensure more people have access to clean water every day
Donation to The Trussell Trust – who run a nationwide network of food banks

Finally, please can we take a note of your name and where we can contact you for the purposes you agreed to (H20 Online sign-up, the £5 thank you voucher or charity donation)?
Respondent name: ……
Respondent telephone: ……
Respondent email: ……

Thank you for your time and valuable feedback.

South Staffs Water

Online Introduction.

Welcome to the Study

Thank you for agreeing to take part in this important study which is being conducted by Turquoise on behalf of South Staffs Water.

Every five years, all water companies in England and Wales submit a business plan to Ofwat (the water industry regulator who oversees the funding of the water industry). The plan sets out targets for improving lots of areas related to your water supply and services, and outlines what the company is allowed to charge customers in their water bills to deliver service improvements against agreed targets.

The next 5-year plan, covering the period 2025 to 2030, is the first stepping stone in the journey to delivering a number of long-term ambitions that South Staffs Water is planning to make up to 2050.

This study asks for your views as a business customer on what your organisation believes the **priorities for long term investment should be**, **when South Staffs Water** should make major investments in its service performance, and **who should pay** for these investments between the different generations of business customers and those who will pay water bills in the future.

The findings will inform the company's conversation with Ofwat on what its investment plans to deliver these improvements will be between 2025 and 2050.

This is a genuine market research exercise being conducted under the Market Research Society's Code of Conduct. This means that any answers you give will be treated in total confidence. Please be assured that any data collected during this survey will be held securely and will not be shared with any third party unless you give permission. Turquoise Thinking's privacy statement is available here.

Do you agree to proceeding with the interview on this basis?

Yes
No **THANK & CLOSE**

Section 1

We want to hear from different types of businesses to make sure we get balanced feedback, so we would like to start by spending a couple of minutes finding out more about your organisation. It should then take no more than 15 minutes to give your feedback, although it may take longer depending on the answers you give. You do not have to answer any questions that you don't want to, and you can also stop taking part in the study at any point.

So let's get going….

Q32. Could I confirm that you are you the person, or one of the people, in the business who deals with your wholesale water supplier (i.e., the clean water supply to your taps) and/or pays the water bills? **MULTICODE**

Yes, I deal with the water supplier and/or pay the water bill
No, this is dealt with at head office/at another office/by someone else **THANK AND CLOSE**
Don't know **THANK AND CLOSE**

Q33. Does your business operate from a home/residential premises or from a separate business premises?

Home/residential premises **THANK AND CLOSE**
Separate business premises

Q34. Is your business billed directly by your water company for the service they supply or is it included in your rent?

Billed directly
Included in rent **THANK AND CLOSE**

Q35. What sector would you say your business is most closely related to? **DO NOT PROMPT – CLARIFY USING LIST – SINGLE RESPONSE**

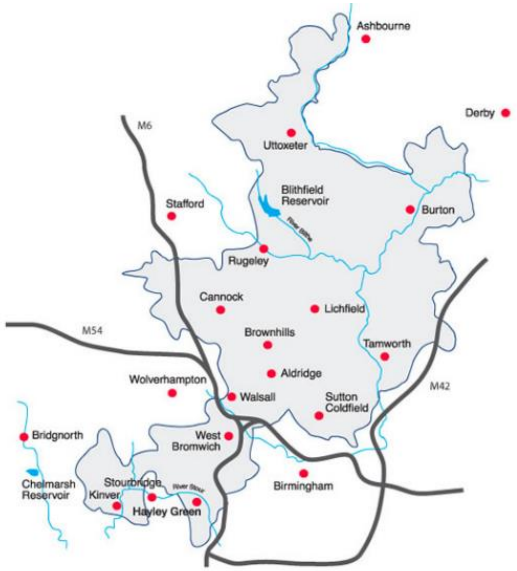
Agriculture, forestry & fishing
Mining, quarrying & utilities
Manufacturing
Construction
Motor trades
Wholesale
Retail
Transport & storage (inc. postal)
Accommodation & food services
Information & communication
Financial & insurance
Property
Professional, scientific & technical
Business administration & support services
Public administration & defence
Education
Health
Arts, entertainment, recreation & other services
Charity
Don't know **THANK AND CLOSE**

Q36. Do you or any of your close family work in market research or for a water company (including working for South Staffs Water)? **SINGLE CODE**

Yes **THANK & CLOSE**
No

Q37. How many sites does your business have where the clean water is supplied by South Staffs Water? *If you have sites in areas that are not served by the company, do not include them in your response.*

Just this site
Two
Three
Four
Five
Six
Seven
Eight
Nine
Ten
Eleven or more
None in these areas **THANK & CLOSE**
Don't know



Q38. How many people does your organisation employ across any sites where clean water is supplied by South Staffs Water? **DO NOT PROMPT**

I have no other employees, there is just myself (sole trader)
2 to 9
10 to 49
50 to 249
250 or more
Don't know **THANK AND CLOSE**

Q39. Can you please tell me what your postcode for your main organisation office is? We will only use this to check who provides your water.

……

South Staffs:

B
DE
DY
ST
WS
WV

Prefer not to answer **THANK & CLOSE**
None of the above area codes **THANK & CLOSE**

Main Questionnaire

Section 2

Since April 2017, business customers have been able to choose which supplier (called a retailer) provides their billing, customer services and meter readings. The clean water and sewerage/wastewater services are provided by water companies. If you would like to learn more about how this works, please see the image below.

Q40. How much in total does your organisation pay for your water and wastewater services?

Please only answer in one box, either per month or per year, and answer as accurately as possible as your bill amount will be used in later questions. If you are unsure of your bill amount, please leave both boxes blank and click next.

Please select "per month" or "per year" and put in your bill amount.

Per month **GO TO 11**
Per year **GO TO 11**
I'm not sure **GO TO 10**

The image below shows you more about how your organisation's total water and wastewater bill is split. This is how we will work out how much your clean water charges are from South Staffs Water, based on what you tell us your total bill is.

Understanding your water and waste water bill

You receive your water and waste water bill from South Staffs Water. However, South Staffs Water only provide you with the services related to your water supply - i.e. the supply of water through the taps to your property.

Your waste water service is provided by Severn Trent Water and they are responsible for taking the dirty water away from your property.

54%

of your bill goes to Severn Trent Water and is used to take the dirty water and sewerage away from your property and for the management and operation of the sewer network

46%

of your bill goes to South Staffs Water and is used to provide you with a safe, high quality water supply every time you turn on the tap

Please note

When we ask you questions about your bill today, remember to just think about the part of your bill related to your clean water services

South Staffs Water

Q41. If you aren't sure exactly how much your organisation's total water and wastewater bill is, please indicate which of the following bands best represents how much you pay per year.

Monthly	Annual
Less than £13 per month	(Less than £150 per year)
£13 - £16 per month	(£151 - £200 per year)
£17 - £23 per month	(£201 - £300 per year)
£24 - £40 per month	(£301 - £500 per year)
£41 - £64 per month	(£501 - £750 per year)
£65 - £83 per month	(£751 - £1,000 per year)
£84 - £166 per month	(£1,001 - £2,000 per year)
£167 - £333 per month	(£2,001 - £4,000 per year)
£334 - £500 per month	(£4,001 - £6,000 per year)
£501 - £833 per month	(£6,000 - £10,000 per year)
£834 - £1,666 per month	(£10,001 - £20,000 per year)
£1,667 - £4,166 per month	(£20,001 - £50,000 per year)
£4,167 - £8,333 per month	(£50,001 - £100,000 per year)
£8,334 - £20,833 per month	(£100,001 - £250,000 per year)
£20,834 - £41,666 pr month	(£250,001 - £500,000 per year)
£41,667 - £83,333 pr month	(£500,001 - £1m per year)
£83,334+ per month	(£1m+ per year)

turquoise

Next, please tell us about your perceptions of South Staffs Water.

Based on your total water and wastewater bill, we estimate that your organisation pays **£xx per year to** South Staffs Water for your clean water only charges. **When answering the remaining questions, please just think about the clean water at your organisation that comes through your taps and the services that South Staffs Water provides.**

Q42. How easy or difficult is it currently for your organisation to afford your water?

7. Very easy
8. Fairly easy
9. Neither easy nor difficult
10. Fairly difficult
11. Very difficult
12. Don't know

Q43. Now thinking about South Staffs Water again and using a 10-point scale, how much do you **trust** South Staffs Water to deliver its long-term investments plans from 2025-2030 and up to 2050?

24. I don't trust them at all
25.
26.
27.
28.
29. Neither trust nor distrust
30.
31.
32.
33.
34. I trust them completely
35. Don't know

Q44. Have you experienced any of the following at your organisation in the last 2 to 3 years? Select all that apply. ROTATE

Had to raise a query about your water bill
Had to raise a query about a water meter or installing a meter
Needed to raise a customer service complaint, or one about your water supply
Discolouration of water coming out of your tap
A change to the taste and/or smell of your tap water
A problem relating to limescale in the water – such as a failure of an appliance, or stained taps/showerheads
A temporary loss of water supply - for more than one hour
A leak in the underground pipe that supplies water to your property from the mains pipe
Low water pressure
Flooding from a burst pipe
A hose pipe ban
Traffic disruption caused by water works
Other (please specify) **DO NOT ROTATE**
I haven't experienced any of these **DO NOT ROTATE**

Q45. Thinking ahead over the next 25 years, what is/will be most important to your organisation regarding your water supply and services?

<open text>

Section 3 Future Investment Attitudes

About South Staffs Water

Around 1.7 million people depend on South Staffs Water and Cambridge Water. The amount of water they use every day is the same as **two** million full baths

- Serves 1.3 million people across 1,500 km²
- Supply approx. 556,000 homes and almost 35,000 business properties
- Supply 305 million litres water per day
- Drinking water comes from 2 surface water sources (River Severn and Blithfield reservoir) and 20 underground water sources
- As a business customer, you **can** choose which company sends you your water bills, handles any customer service queries and reads your meter. You can't choose which company supplies your clean water to your taps
- **The amount of money that will go to shareholders between 2020 and 2025 is between 2% - 5% of customers' bills each year**
- Merged with Cambridge Water in April 2013 and employ approximately 440 staff in Walsall and Cambridge
- The South Staffs Water region is now classed by the Government as 'seriously water stressed'. This means that there is a high risk of the amount of water available not being enough to meet human demand.

South Staffs Water is facing a number of big challenges in the future

- **Increased demand for water** due to rising population and property development.
  - population of the region being forecast to increase by **18%** by 2045
  - property development – **125,000** new homes are expected to be built by 2045.
- **Changing rainfall patterns** due to climate change leading to **higher risk of flooding or longer periods of drought.**
- Further **reducing leakage from pipes** – currently around **20%** of treated water is lost to leaks each day, which is about the same as the national average.

- **Reducing carbon emissions** to combat the impacts of global warming
- **Educating, informing and helping customers** to use less water and reuse more.
- **Protecting the water environment:** currently, only **14%** of rivers in England are classed by the Environment Agency as being in ecologically good condition.
- Ensuring services are **accessible** to all customers who need extra support and providing **financial support** and advice to customers who are struggling to pay their bills.

All whilst balancing the need for affordable water bills and ensuring the long-term resilience of water services to meet these challenges

In developing its future investment plans, South Staffs Water has to balance the needs of business customers, household customers, stakeholders (e.g. councils, farmers, environmental groups and developers) and the water environment (i.e. rivers, streams, reservoirs and underground aquifers).

Any investment has to be balanced against three areas: ensuring bills are affordable for all customers; leaving the water environment in a better state for future generations and providing a resilient service in the face of changing weather patterns due to climate change.

We would like to understand your reaction towards some dilemmas that South Staffs Water faces in its approach to planning long term investments. Please indicate, using the sliding scales, where you feel the balance should lie in relation to the following areas:

Q46. Please click and then drag the slider where you feel the balance should lie in relation to the following areas? Please think about what is important to the organisation you own/work for.

Investing more now for the long-term future to 2050		Keeping customer bills as low as possible up to 2030
Preparing for the worst-case scenarios (for example investing so the water system can cope with extreme weather conditions such as droughts)		Wait and see what happens and react as needed
Trying new approaches and innovations to find solutions to challenges		Sticking to tried and trusted approaches that are proven to work
Spreading any costs to mantain and improve the service equally amongst all customers		Those who directly benefit from investments pay more for them (for example, local residents who might benefit from improvements to a nearby river etc. pay more on their bills to cover the cost of that work)

Spreading any costs to maintain and improve the service equally amongst all customers		Limiting what those who are struggling financially will pay (so those who are able to, pay more)
Doing more to reduce the amount of leakage from pipes even if it costs customers more		Keeping customer bills as low as possible
Doing more to reduce the company's 'carbon footprint' (the amount of carbon dioxide the company adds to the atmosphere through its operations) – even if it costs customers more		Keeping customer bills as low as possible

Section 4 – Ranked Investment Priorities

South Staffs Water's future investment plans need to address each of the following areas – called ambitions.

We have provided a summary of each below, so please read these carefully before answering the next question.

Ambition	Targets the company wants to achieve	Benefits
Improving water Quality	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year.	Fewer customers impacted by any unwanted changes to their water supply and even greater investments in treatment works lead to improved water quality.
Reducing supply Interruptions	Around 95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length. Longer interruptions have the potential to impact people's lives. The ambition is to reduce the **average** time a property is without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050.**	Customers will be **less likely to be impacted by their water supply being temporarily interrupted** for any period of time.

Lead Pipe Removal	To remove all lead pipes **by 2050**. There are estimated to be around **140,000** lead supply pipes across the region – the current replacement rate is around **1,000** pipes a year, mainly at higher priority properties – e.g. care homes and schools.	Removing all lead pipes means **no longer needing to treat the water** supply with chemical additives to make it safe. There will also be the **opportunity to address other issues while work takes place** – such as fitting water meters
Leakage Reduction	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from the 2017/18 figure).	Saving **37 million litres per day (equivalent to around 185,000 full bathtubs) by 2050** by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and a faster rate of renewing old pipes.
Drought Resilience	Reduce the chance of bringing in 'emergency drought order' restrictions from the **current 1 in 200 (or 0.5%)**, in any given year, down to a chance of **1 in 500 (or 0.2%) chance by 2040**. The last time this happened in this region was 1976 – e.g. use of stand pipes in streets to supply customers.	**Reduced likelihood of 'emergency drought orders'** being put in place by making the water supply more resilient to the increased risk of droughts happening, in part due to climate change.
Water Industry National Environmental Programme (WINEP) and biodiversity protection	Reduce the amount of water taken from the underground aquifers (which feed the chalk streams in the region) to meet human demand by **48 million litres per day (equivalent to 240,000 full bathtubs) by 2050.**	**Ensure more water environments (such as rivers and underground aquifers) have a healthy level of water flowing in them**. Investing in the WINEP helps the recovery of any damaged water environments and restores biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Reducing how much water we use at home and work	Aiming to meet two national targets detailed in the Environment Act: The Environment Act has set water companies a target of **reducing business water use by 9% by 2037**. For households, reduce the average amount each person uses at home by **26% (from 148 litres per day in 2021/22 to 110 litres per day by 2050**).	**Less water needs to be taken from the environment, treated and pumped to customers**. Every property having a meter means water usage can be better understood by the company and customers and help spot leaks faster and the company can offer customers advice, free water saving devices and different tariffs based on their water usage to help encourage people to use less.
Tackling water Poverty	By 2030, making sure **water bills are affordable for households where the water and sewerage bill is no more than 3% of its disposable income** (the industry target is currently 5%). To achieve the 3% target would mean supporting **90,000** households with their bills compared to the **52,450** supported currently through its Assure discount tariff. There are currently no programmes of this type for organisations/businesses.	**Ensuring that water bills are affordable for all** so that households struggling with their bills do not fall into debt and help reduce the risk of people having to prioritise using essential services – e.g. do I/we use less water or heating?
Offering better and smarter customer service	To be the **best performing company in the water sector for customer service by 2030**. To be the **best performing company in the utilities sector (energy, broadband, etc) by 2050**. So far in 2022/23, Ofwat's independent survey, showed the company is currently rated the 8th best out of 17.	**Pro-active customer service to fix failures before they happen so customers are not impacted** and allow customers to contact the company using the method they want, when they want. Give people more information about their water use and bills to help them have more control over how and when they use it.

Achieving Net Carbon Zero	Help the UK achieve its national target of net zero by 2050: • Net zero carbon emissions from the company's operations **by 2030** • Net Zero greenhouse gas emissions across all the company's and supplier's operations **by 2050**. "Net zero" means achieving a balance between the carbon put into the atmosphere and the amount taken out.	Help the UK achieve its national target of **net zero by 2050** to combat the impacts of climate change (e.g. drought, changing rainfall patterns) that can damage infrastructure, lead to restrictions on water use and cause water sources to dry up.

Q47. Thinking back to the information you have just read, you now have a total of 100 points to spread across the 10 ambitions. You can give as many points as you would like to each of the measures - you can give some to all of them, or only choose to share the points out to a selection, it all depends on what your organisation thinks is most important for South Staffs Water to invest in. (the more points given the more priority it has), however the total must add up to 100. **ROTATE**

Please allocate your points across the 10 measures.

Improving water Quality
Reducing supply Interruptions
Lead Pipe Removal
Leakage Reduction
Drought Resilience
Water Industry National Environmental Programme (WINEP) and biodiversity protection
Reducing how much water we use at home and work
Tackling Water Poverty
Offering better and smarter customer service
Achieving Net Carbon Zero

Q48. It's really important to understand the reasons for your choices, so that South staffs Water can use your feedback to help it make the right decisions on its investments. Please tell us why you think this ambition is the most important for South Staffs Water to invest in?

Improving Water Quality……
Reducing Supply Interruptions……..
Lead Pipe Removal……..
Leakage Reduction……
Drought Resilience……
Water Industry National Environmental Programme (WINEP) and biodiversity protection ……
How much water we use at home and work ……..
Tackling Water Poverty……
Offering better and smarter customer service……
Achieving Net Carbon Zero……

Section 5 – In Depth Exploration of Ambitions

At this point, the company can't provide very detailed costs all the way to 2050 to deliver its ambitions and targets. Costs can be worked out with a high degree of certainty over the next 5 years or so, but when looking further into the future there is a lot of uncertainty which needs to be considered and the company will look at the different options available and what these could cost when considering their long-term plans. For example, new technology emerging which makes things cheaper and/or quicker to do. Costs for materials and labour can also change a lot over time.

Within this study, we want to understand your views on which generations of customers should pay to deliver the ambitions and targets that customers want to see achieved – it's about what is fairest.

Investing now means that the ambition and the associated benefits can be delivered quicker. Making investments more slowly or delaying them means that the associated benefits of making them are delivered later. South Staffs Water will use your feedback alongside lots of other data and expert insights to make decisions about their investment plans to 2050.

We will now show you three ambitions in more detail. Please take the time to read through the information on each ambition and answer the follow-up questions.

Water Quality

Water Quality – there are no specific industry or legal targets for customer contacts

Ambition	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year
Benefits	Fewer customers impacted by any unwanted changes to their water supply and improved water quality

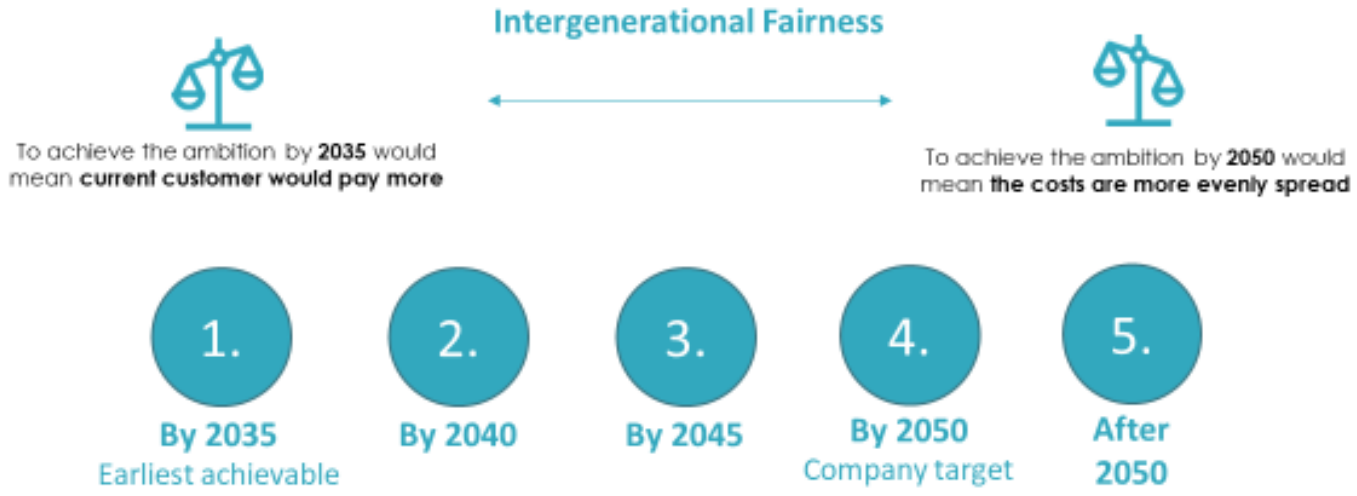
Considerations

Water quality standards
The company will always invest in its treatment works to ensure drinking water is safe and prioritise meeting its legal requirements to ensure it does not fail any of the 1000's of water quality tests carried out each year. This ambition is about the number of customers querying the quality of their water.

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Should the company spend money on innovation to achieve this ambition ASAP, or wait for treatment innovations?

Should the company pursue this ambition, and if so, by when?



5

Q49. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q50. Should the company spend more effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment so the water needs less treatment to make it safe, or increase spending faster to upgrade treatment works as quickly as possible to the latest treatments? Or look to invest in both areas equally?

1. More effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment
2. Increase spending to upgrade treatment works as quickly as possible to the latest treatments
3. Invest in both areas equally

Q51. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Leakage Reduction

Leakage Reduction – industry ambition and now legal requirement in the latest Environment Act

Ambition	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from 2017/18 figure)
Benefits	Saving **37 million litres per day by 2050** (or around 185,000 full bathtubs) by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and faster rate of renewing old pipes. Less wasted water means less needs to be taken from the water environment, and less needs to be treated and pumped to customers, which helps reduce costs over time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Invest now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall and reduce the amount of disruption (e.g. roadworks) caused to communities that happen when fixing leaks.

Even though it's a legal target, do you support this ambition? Do you want it achieved sooner?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Company target and legal requirement
5. **After 2050**

Q18a. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (national legal requirement and company target)
Yes, after 2050

Q19a. Do you think South Staffs Water should invest in greater leakage reduction now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall?

Invest now
Wait for innovation

Q20a. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Lead Pipe Removal – industry target of 2050.

Ambition	To remove all lead pipes **by 2050**.
Benefits	Removing all lead pipes means no longer needing to treat the water supply with chemical additives to make it safe and any the very small risk of lead pipe causing health problems if it were to be badly damaged. Opportunity to address other issues while work takes place – such as situations where customers share supply pipes which can then be split to tackle low pressures problems, and being able to fit water meters.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forwards?

Innovation
Should the company invest now or wait for new technologies to avoid digging up the ground to replace pipes which will help reduce disruption to customers.

Should the company pursue this ambition, and if so, by when?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1.	2.	3.	4.	5.
By 2035 Earliest achievable	**By 2040**	**By 2045**	**By 2050** Company target	**After 2050**

7

Q18b. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q19b. Approximately, 1 in 4 properties in the area have a lead supply pipe(s). Do you think these customers should pay the majority of costs to replace them or should the cost be spread evenly across all customers? It can cost over £1,000 to replace a lead pip to a single property?

Customers at the 1 in 4 properties who have a lead supply pipe(s) should pay the majority of costs to replace them
The costs should be spread evenly across all customers

Q20b. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Supply Interruptions – no specific legal targets

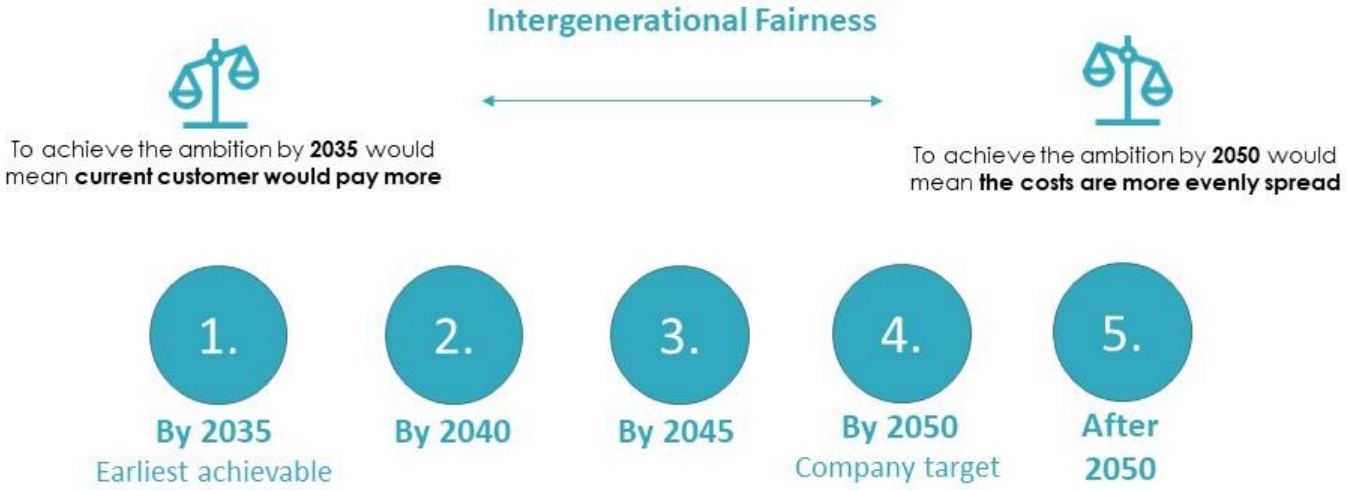
Ambition	95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length. These interruptions can really impact people's lives. The ambition is to reduce the average time a property is without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050**
Benefits	Customers, both households and businesses, will be less likely to be impacted by their water supply being temporarily interrupted for any period of time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovations
Should the company invest earlier in new technologies which avoid digging up the ground to replace pipes to reduce disruption to customers and continue investing in a full smart network that identifies bursts before they happen so they can be fixed and not impact customers?

Should the company pursue this ambition, and if so, by when?



3

Q18c. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q19c. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

WINEP

Water Industry National Environmental Programme / Biodiversity protection – WINEP is a mandatory target for all water companies

Ambition	Ensure more water environments (such as rivers and underground aquifers) have healthy level of water flowing in them by reducing the water it takes from them to meet human demand by **48 million litres per day by 2050** (equivalent to 240,000 full bathtubs) – current daily demand for water is around 325 million litres (or 1.6 million bathtubs).
Benefits	More water environments to have a healthy level of water flowing in them. Taking less water for human need, helps recovery of any damaged water environments. Investing in the WINEP helps restore biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Considerations

Do you want the company to go further than its mandatory targets reducing the amount of water it takes by 2050 and protecting and restoring the water environments that are under greatest threat, such as rivers and wetlands on sites of special scientific interest and adopt a greater protection for the vast majority or all water environments?

Intergenerational Fairness
Should going further than the mandatory requirements be timed to spread the cost over a longer period of time, or brought forward?

Even though the WINEP is a mandatory programme each year, do you support this ambition? Do you want it achieved sooner?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Mandatory target for all water companies
5. **After 2050**

4

Q18d. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (mandatory target for all water companies)
Yes, after 2050

Q19d. It's really important to understand the reasons for your choices, so that South Staffs Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Section 6

Finally, a few questions about your organisation. This information will help us to better understand your responses.

Q20. Does your organisation have a water meter? **SINGLE CODE**

Yes
No
Don't know **DO NOT READ**

Q21. Which of these statements best describes how your organisation uses its water supply?

We only really use tap water or drinking water, toilets/hygiene and to provide refreshments for our staff (e.g. shop/office)
The use of tap water is a key part of what our organisation does (e.g. café, bar, pub, hotel, manufacturing)
We use tap water as part of a healthcare service or duty of care that we have for people we look after (e.g. school, care home, hospice)
We store and/or treat the tap water supply on-site (e.g. to remove water hardness, extra purification) as we need a higher quality to run our day-to-day business operations
Other, please specify

Q22. How essential would you say the supply of water is to the day-to-day running of your organisation?

Not at all essential
Not essential
Neither not essential nor essential
Essential
Absolutely essential
Don't know

Q23. Which of the following do you identify as? **SINGLE CODE**

6. Male
7. Female
8. Non-binary
9. Other
10. Prefer not to say

Q24. Which of the following age groups do you fall into? Are you... **SINGLE CODE**

1. 18-24
2. 25-34
3. 35-44
4. 45-54
5. 55-64
6. 65-74
7. 75+
8. Prefer not to say

Q25. Which of these groups best reflects your background?

White

British

Irish

Any other White background

Mixed

White and Black Caribbean

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White and Black African

White and Asian

Any other Mixed background

Asian or Asian British

Indian

Pakistani

Bangladeshi

Any other Asian background

Black or Black British

Caribbean

African

Any other Black background

Chinese or Other Ethnic Group

Chinese

Any other ethnic group

Prefer not to say

Q26. On a scale of 1 to 5, where 5 is very good and 1 is very bad, using the rating scale below please let us know how you would rate each of the following about this study. We will use this feedback to help us make improvements in the future.

RANDOMISE	**1 Very Bad**	**2**	**3**	**4**	**5 Very Good**
Length of study					
I understood what I was being asked to comment on					

Q27. We really appreciate the time that you have given us today. Would you be willing to be contacted again by Turquoise for clarification purposes, or to be invited to take part in other related research for South Staffs Water? **SINGLE CODE**

9. Yes, for both clarification and further related research
10. Yes, for clarification only
11. Yes, for further related research only
12. No

Q28. Thank you for taking the time to give your feedback. Please select how you would like to receive your £5 thank you:

Love2Shop voucher – accepted at more than 50 popular brands, including online shops, high street favourites and delivery services
Donation to Water Aid – a charity who works globally to ensure more people have access to clean water every day
Donation to The Trussell Trust – who run a nationwide network of food banks

Finally, please can we take a note of your name and where we can contact you for the purposes you agreed to (including the £5 thank you voucher or charity donation)?

Respondent name: ……
Respondent telephone: ……
Respondent email: ……..

Thank you for your time and valuable feedback.

Online Introduction.

Welcome to the Study

Thank you for agreeing to take part in this important study which is being conducted by Turquoise on behalf of Cambridge Water.

Every five years, all water companies in England and Wales submit a business plan to Ofwat (the water industry regulator who oversees the funding of the water industry). The plan sets out targets for improving lots of areas related to your water supply and services, and outlines what the company is allowed to charge customers in their water bills to deliver service improvements against agreed targets.

The next 5-year plan, covering the period 2025 to 2030, is the first stepping stone in the journey to delivering a number of long-term ambitions that Cambridge Water is planning to make up to 2050.

This study asks for your views as a business customer on what your organisation believes the **priorities for long term investment should be**, **when Cambridge Water** should make major investments in its service performance, and **who should pay** for these investments between the different generations of business customers and those who will pay water bills in the future.

The findings will inform the company's conversation with Ofwat on what its investment plans to deliver these improvements will be between 2025 and 2050.

This is a genuine market research exercise being conducted under the Market Research Society's Code of Conduct. This means that any answers you give will be treated in total confidence. Please be assured that any data collected during this survey will be held securely and will not be shared with any third party unless you give permission. Turquoise Thinking's privacy statement is available here.

Do you agree to proceeding with the interview on this basis?

Yes
No **THANK & CLOSE**

Section 1

We want to hear from different types of businesses to make sure we get balanced feedback, so we would like to start by spending a couple of minutes finding out more about your organisation. It should then take no more than 15 minutes to give your feedback, although it may take longer depending on the answers you give. You do not have to answer any questions that you don't want to, and you can also stop taking part in the study at any point.

So let's get going….

Q52. Could I confirm that you are you the person, or one of the people, in the business who deals with your wholesale water supplier (i.e., the clean water supply to your taps) and/or pays the water bills? **MULTICODE**

Yes, I deal with the water supplier and/or pay the water bill
No, this is dealt with at head office/at another office/by someone else **THANK AND CLOSE**
Don't know **THANK AND CLOSE**

Q53. Does your business operate from a home/residential premises or from a separate business premises?

Home/residential premises **THANK AND CLOSE**
Separate business premises

Q54. Is your business billed directly by your water company for the service they supply or is it included in your rent?

Billed directly
Included in rent **THANK AND CLOSE**

Q55. What sector would you say your business is most closely related to? **DO NOT PROMPT – CLARIFY USING LIST – SINGLE RESPONSE**

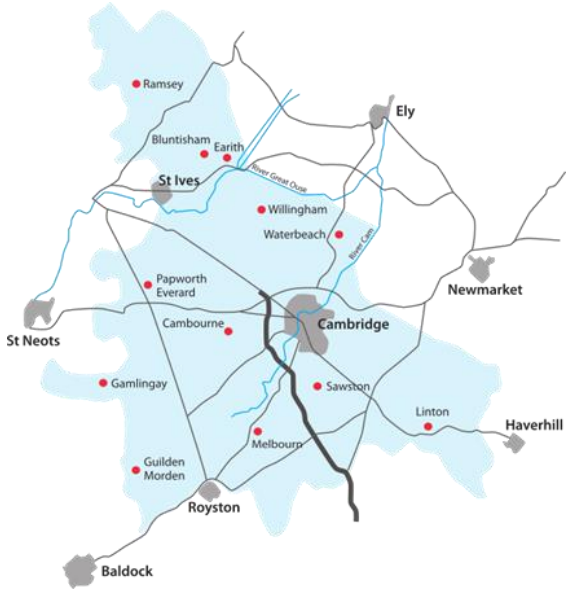
Agriculture, forestry & fishing
Mining, quarrying & utilities
Manufacturing
Construction
Motor trades
Wholesale
Retail
Transport & storage (inc. postal)
Accommodation & food services
Information & communication
Financial & insurance
Property
Professional, scientific & technical
Business administration & support services
Public administration & defence
Education
Health
Arts, entertainment, recreation & other services
Charity
Don't know **THANK AND CLOSE**

Q56. Do you or any of your close family work in market research or for a water company (including working for Cambridge Water)? **SINGLE CODE**

Yes **THANK & CLOSE**
No

Q57. How many sites does your business have where the clean water is supplied by Cambridge Water? *If you have sites in areas that are not served by the company, do not include them in your response.*

Just this site
Two
Three
Four
Five
Six
Seven
Eight
Nine
Ten
Eleven or more
None in these areas **THANK & CLOSE**
Don't know



Q58. How many people does your organisation employ across any sites where clean water is supplied by Cambridge Water? **DO NOT PROMPT**

I have no other employees, there is just myself (sole trader)
2 to 9
10 to 49
50 to 249
250 or more
Don't know **THANK AND CLOSE**

Q59. Can you please tell me what your postcode for your main organisation office is? We will only use this to check who provides your water.

……

Cambridge:

CB
IP
LE
PE
SG

Prefer not to answer **THANK & CLOSE**
None of the above area codes **THANK & CLOSE**

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Main Questionnaire

Section 2

Since April 2017, business customers have been able to choose which supplier (called a retailer) provides their billing, customer services and meter readings. The clean water and sewerage/wastewater services are provided by water companies. If you would like to learn more about how this works, please see the image below.

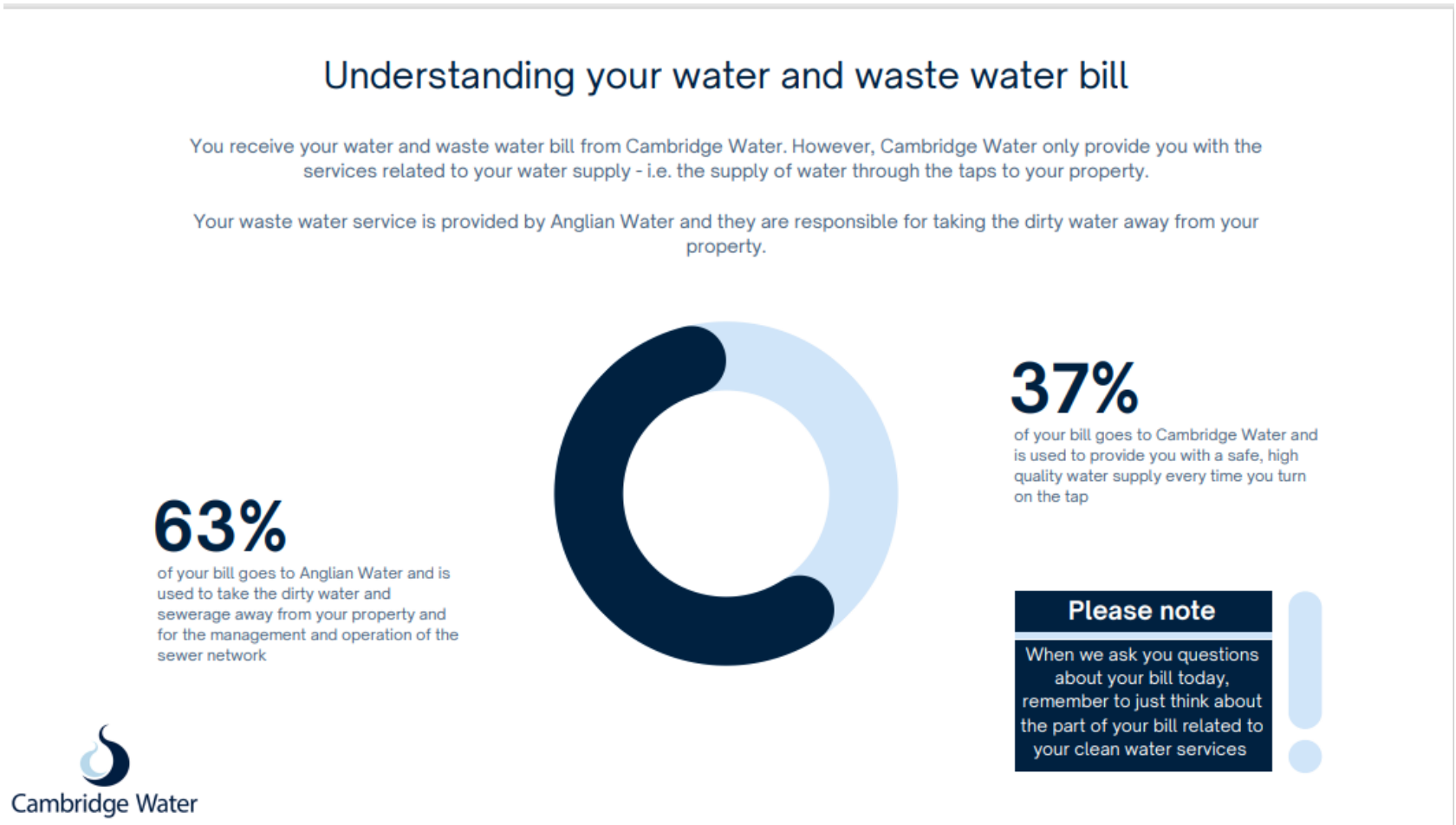
Q9. How much in total does your organisation pay for your water and wastewater services?

Please only answer in one box, either per month or per year, and answer as accurately as possible as your bill amount will be used in later questions. If you are unsure of your bill amount, please leave both boxes blank and click next.

Please select "per month" or "per year" and put in your bill amount.

Per month **GO TO 11**
Per year **GO TO 11**

The image below shows you more about how your organisation's total water and wastewater bill is split. This is how we will work out how much your clean water charges are from Cambridge Water, based on what you tell us your total bill is.



Q10. If you aren't sure exactly how much your organisation's total water and wastewater bill is, please indicate which of the following bands best represents how much you pay per year.

Monthly	Annual
Less than £13 per month	(Less than £150 per year)
£13 - £16 per month	(£151 - £200 per year)
£17 - £23 per month	(£201 - £300 per year)
£24 - £40 per month	(£301 - £500 per year)
£41 - £64 per month	(£501 - £750 per year)
£65 - £83 per month	(£751 - £1,000 per year)
£84 - £166 per month	(£1,001 - £2,000 per year)
£167 - £333 per month	(£2,001 - £4,000 per year)
£334 - £500 per month	(£4,001 - £6,000 per year)
£501 - £833 per month	(£6,000 - £10,000 per year)
£834 - £1,666 per month	(£10,001 - £20,000 per year)
£1,667 - £4,166 per month	(£20,001 - £50,000 per year)
£4,167 - £8,333 per month	(£50,001 - £100,000 per year)
£8,334 - £20,833 per month	(£100,001 - £250,000 per year)
£20,834 - £41,666 pr month	(£250,001 - £500,000 per year)
£41,667 - £83,333 pr month	(£500,001 - £1m per year)
£83,334+ per month	(£1m+ per year)

turquoise

Next, please tell us about your perceptions of Cambridge Water.

Based on your total water and wastewater bill, we estimate that your organisation pays **£xx per year to** Cambridge Water for your clean water only charges. **When answering the remaining questions, please just think about the clean water at your organisation that comes through your taps and the services that Cambridge Water provides.**

Q11. How easy or difficult is it currently for your organisation to afford your water?

13. Very easy
14. Fairly easy
15. Neither easy nor difficult
16. Fairly difficult
17. Very difficult
18. Don't know

Q12. Now thinking about Cambridge Water again and using a 10-point scale, how much do you **trust** Cambridge Water to deliver its long-term investments plans from 2025-2030 and up to 2050?

36. I don't trust them at all
37.
38.
39.
40.
41. Neither trust nor distrust
42.
43.
44.
45.
46. I trust them completely
47. Don't know

Q13. Have you experienced any of the following at your organisation in the last 2 to 3 years? Select all that apply. ROTATE

Had to raise a query about your water bill
Had to raise a query about a water meter or installing a meter
Needed to raise a customer service complaint, or one about your water supply
Discolouration of water coming out of your tap
A change to the taste and/or smell of your tap water
A problem relating to limescale in the water – such as a failure of an appliance, or stained taps/showerheads
A temporary loss of water supply - for more than one hour
A leak in the underground pipe that supplies water to your property from the mains pipe
Low water pressure
Flooding from a burst pipe
A hose pipe ban
Traffic disruption caused by water works
Other (please specify) **DO NOT ROTATE**
I haven't experienced any of these **DO NOT ROTATE**

Q14. Thinking ahead over the next 25 years, what is/will be most important to your organisation regarding your water supply and services?

<open text>

Section 3 Future Investment Attitudes

About Cambridge Water

Around 1.7 million people depend on Cambridge Water and South Staffs Water. The amount of water they use every day is the same as **two** million full baths

- Serves almost 360,000 people across 1,175sq km
- Supply approx. 140,000 homes and almost 9,000 business properties
- Supply close to 83 million litres water per day, up to 101 million litres in peak periods of use - e.g. a hot summer's day
- Drinking water comes from 23 underground water sources
- As a business customer, you **can** choose which company sends you your water bills, handles any customer service queries and reads your meter. You **can't** choose which company supplies your clean water to your taps
- **The amount of money that will go to shareholders between 2020 and 2025 is between 2% and 5% of customers' bills each year**
- Merged with Cambridge Water in April 2013 and employ approximately 440 staff in Walsall and Cambridge
- The Cambridge Water region is now classed by the Government as 'seriously water stressed'. This means that there is a high risk of the amount of water available not being enough to meet human demand.

Cambridge Water is facing a number of big challenges in the future

- **Increased demand for water due to:**
  - population of the region being forecast to increase by **19%** by 2045
  - property development – **46,500** new homes are expected to be built by 2045.
- **Changing rainfall patterns** due to climate change leading to **higher risk of flooding or longer periods of drought**
- Further **reducing leakage from pipes** – currently around **16%** of treated water is lost to leaks each day, which is below the national average of 20%.

- **Reducing carbon emissions** to combat the impacts of global warming.
- **Educating, informing and helping customers** to use less water and reuse more.
- **Protecting the water environment:** currently, only **14%** of rivers in England are classed by the Environment Agency as being in ecologically good condition.
- Ensuring services are **accessible** to all customers who need extra support and providing **financial support** and advice to customers who are struggling to pay their bills.

All whilst balancing the need for affordable water bills and ensuring the long-term resilience of water services to meet these challenges

In developing its future investment plans, Cambridge Water has to balance the needs of business customers, household customers, stakeholders (e.g. councils, farmers, environmental groups and developers) and the water environment (i.e. rivers, streams, reservoirs and underground aquifers).

Any investment has to be balanced against three areas: ensuring bills are affordable for all customers; leaving the water environment in a better state for future generations and providing a resilient service in the face of changing weather patterns due to climate change.

We would like to understand your reaction towards some dilemmas that Cambridge Water faces in its approach to planning long term investments. Please indicate, using the sliding scales, where you feel the balance should lie in relation to the following areas:

Q15. Please indicate, using the sliding scales, where you feel the balance should lie in relation to the following areas? Please think about what is important to the organisation you own/work for.

Investing more now for the long-term future to 2050		Keeping customer bills as low as possible up to 2030
Preparing for the worst-case scenarios (for example investing so the water system can cope with extreme weather conditions such as droughts)		Wait and see what happens and react as needed
Trying new approaches and innovations to find solutions to challenges		Sticking to tried and trusted approaches that are proven to work
Spreading any costs to mantain and improve the service equally amongst all customers		Those who directly benefit from investments pay more for them (for example, local residents who might benefit from improvements to a nearby river etc. pay more on their bills to cover the cost of that work)

Spreading any costs to maintain and improve the service equally amongst all customers		Limiting what those who are struggling financially will pay (so those who are able to, pay more)
Doing more to reduce the amount of leakage from pipes even if it costs customers more		Keeping customer bills as low as possible
Doing more to reduce the company's 'carbon footprint' (the amount of carbon dioxide the company adds to the atmosphere through its operations) – even if it costs customers more		Keeping customer bills as low as possible

Section 4 – Ranked Investment Priorities

Cambridge Water's future investment plans need to address each of the following areas – called ambitions.

We have provided a summary of each below so please read these carefully before answering the next question.

Ambition	Targets the company wants to achieve	Benefits
Improving Water Quality	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year.	Fewer customers impacted by any unwanted changes to their water supply and even greater investments in treatment works lead to improved water quality.
Reducing Supply Interruptions	Around 95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length. Longer interruptions have the potential to impact people's lives. The ambition is to reduce the **average** time a property is without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050.**	Customers will be **less likely to be impacted by their water supply being temporarily interrupted** for any period of time.

Lead Pipe Removal	To remove all lead pipes **by 2050**. There are estimated to be around **36,000** lead supply pipes across the region – the current replacement rate is around **90** pipes a year, mainly at higher priority properties – e.g. care homes and schools.	Removing all lead pipes means **no longer needing to treat the water** supply with chemical additives to make it safe. There will also be the **opportunity to address other issues while work takes place** – such as fitting water meters
Leakage Reduction	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from the 2017/18 figure).	Saving **7.3 million litres per day (equivalent to 36,000 full bathtubs**) **by 2050** by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and a faster rate of renewing old pipes.
Drought Resilience	Reduce the chance of bringing in 'emergency drought order' restrictions from the **current 1 in 200 (or 0.5%)**, in any given year, down to a chance of **1 in 500 (or 0.2%) chance by 2040**. The last time this happened in this region was 1976 – e.g. use of stand pipes in streets to supply customers.	**Reduced likelihood of 'emergency drought orders'** being put in place by making the water supply more resilient to the increased risk of droughts happening, in part due to climate change.
Water Industry National Environmental Programme (WINEP) and biodiversity protection	Reduce the amount of water taken from the underground aquifers (which feed the chalk streams in the region) to meet human demand by **50 million litres per day (equivalent to 250,000 full bathtubs) by 2050.** This will partly be achieved by building a new reservoir.	**More water environments, including chalk streams, to have a healthy level of water flowing in them**. Investing in the WINEP helps the recovery of any damaged water environments and restores biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Reducing how much water we use at home and work	Aiming to meet two national targets detailed in the Environment Act: The Environment Act has also set water companies **a target of reducing business water use by 9% by 2037**. For households, reduce the average amount each person uses at home by **22% (from 141 litres per day in 2021/22 to 110 litres per day by 2050**).	**Less water needs to be taken from the environment, treated and pumped to customers**. Every property having a meter means water usage can be better understood by the company and customers and help spot leaks faster and the company can offer customers advice, free water saving devices and different tariffs based on their water usage to help encourage people to use less.
Tackling water Poverty	By 2030, making sure **water bills are affordable for households where the water and sewerage bill is no more than 3% of its disposable income** (the industry target is currently 5%). To achieve the 3% target would mean supporting **90,000** households with their bills compared to the **52,450** supported currently through its Assure discount tariff. There are currently no programmes of this type for organisations/businesses.	**Ensuring that water bills are affordable for all** so that households struggling with their bills do not fall into debt and help reduce the risk of people having to prioritise using essential services – e.g. do I/we use less water or heating?
Offering better and smarter customer service	To be the **best performing company in the water sector for customer service by 2030**. To be the **best performing company in the utilities sector (energy, broadband, etc) by 2050**. So far in 2022/23, Ofwat's independent survey, showed the company is currently rated the 8th best out of 17.	**Pro-active customer service to fix failures before they happen so customers are not impacted** and allow customers to contact the company using the method they want, when they want. Give people more information about their water use and bills to help them have more control over how and when they use it.

Achieving Net Carbon Zero	Help the UK achieve its national target of net zero by 2050: • Net zero carbon emissions from the company's operations **by 2030** • Net Zero greenhouse gas emissions across all the company's and supplier's operations **by 2050**. "Net zero" means achieving a balance between the carbon put into the atmosphere and the amount taken out.	Help the UK achieve its national target of **net zero by 2050** to combat the impacts of climate change (e.g. drought, changing rainfall patterns) that can damage infrastructure, lead to restrictions on water use and cause water sources to dry up.

Q16. Thinking back to the information you have just read, you now have a total of 100 points to spread across the 10 ambitions. You can give as many points as you would like to each of the measures - you can give some to all of them, or only choose to share the points out to a selection, it all depends on what your organisation thinks is most important for Cambridge Water to invest in. (the more points given the more priority it has), however the total must add up to 100. **ROTATE**

Please allocate your points across the 10 measures.

Improving water Quality
Reducing supply Interruptions
Lead Pipe Removal
Leakage Reduction
Drought Resilience
Water Industry National Environmental Programme (WINEP) and biodiversity protection
Reducing how much water we use at home and work
Tackling Water Poverty
Offering better and smarter customer service
Achieving Net Carbon Zero

Q17. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on its future investments. Please tell us why you think this ambition is the most important for Cambridge Water to invest in?

Improving Water Quality……
Reducing Supply Interruptions……
Lead Pipe Removal……
Leakage Reduction……
Drought Resilience……
Water Industry National Environmental Programme (WINEP) and biodiversity protection ……
How much water we use at home and work ……
Tackling Water Poverty……
Offering better and smarter customer service……
Achieving Net Carbon Zero……

Section 5 – In Depth Exploration of Ambitions

At this point, the company can't provide very detailed costs all the way to 2050 to deliver its ambitions and targets. Costs can be worked out with a high degree of certainty over the next 5 years or so, but when looking further into the future there is a lot of uncertainty which needs to be considered and the company will look at the different options available and what these could cost when considering their long-term plans. For example, new technology emerging which makes things cheaper and/or quicker to do. Costs for materials and labour can also change a lot over time.

Within this study, we want to understand your views on which generations of customers should pay to deliver the ambitions and targets that customers want to see achieved – it's about what is fairest.

Investing now means that the ambition and the associated benefits can be delivered quicker. Making investments more slowly or delaying them means that the associated benefits of making them are delivered later. Cambridge Water will use your feedback alongside lots of other data and expert insights to make decisions about their investment plans to 2050.

We will now show you three ambitions in more detail. Please take the time to read through the information on each ambition and answer the follow-up questions.

Water Quality

Water Quality – there are no specific industry or legal targets for customer contacts

Ambition	Reduce the number of customers raising an issue about their drinking water. For example, reduce contacts about the taste and smell of drinking water from **1.6 (current) to 0.75 (by 2050)** per 10,000 properties per year
Benefits	Fewer customers impacted by any unwanted changes to their water supply and improved water quality

Considerations

Water quality standards
The company will always invest in its treatment works to ensure drinking water is safe and prioritise meeting its legal requirements to ensure it does not fail any of the 1000's of water quality tests carried out each year. This ambition is about the number of customers querying the quality of their water.

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Should the company spend money on innovation to achieve this ambition ASAP, or wait for treatment innovations?

Should the company pursue this ambition, and if so, by when?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Company target
5. **After 2050**

5

Q18. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q19. Should the company spend more effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment so the water needs less treatment to make it safe, or increase spending faster to upgrade treatment works as quickly as possible to the latest treatments? Or look to invest in both areas equally?

1. More effort working with landowners/farmers/industry to reduce contaminants reaching water sources in the environment
2. Increase spending to upgrade treatment works as quickly as possible to the latest treatments
3. Invest in both areas equally

Q20. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Leakage Reduction

Leakage Reduction – industry ambition and now legal requirement in the latest Environment Act

Ambition	Deliver the national water industry target of reducing leakage levels by **50% by 2050** (from 2017/18 figure)
Benefits	Saving **7.3 million litres per day by 2050** (or around 36,000 full bathtubs) by fitting more smart sensors to proactively fix pipes, investing in leak detection tech and innovation, and faster rate of renewing old pipes. Less wasted water means less needs to be taken from the water environment, and less needs to be treated and pumped to customers, which helps reduce costs over time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Invest now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall and reduce the amount of disruption (e.g. roadworks) caused to communities that happen when fixing leaks.

Even though it's a legal target, do you support this ambition? Do you want it achieved sooner?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Company target and legal requirement
5. **After 2050**

2

Q18a. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (national legal requirement and company target)
Yes, after 2050

Q19a. Do you think Cambridge Water should invest in greater leakage reduction now, or wait for new leak detection and repair technologies to develop which are expected to allow the cost to find and repair pipes to fall?

Invest now
Wait for innovation

Q20a. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Lead Pipe Removal

Lead Pipe Removal – industry target of 2050.

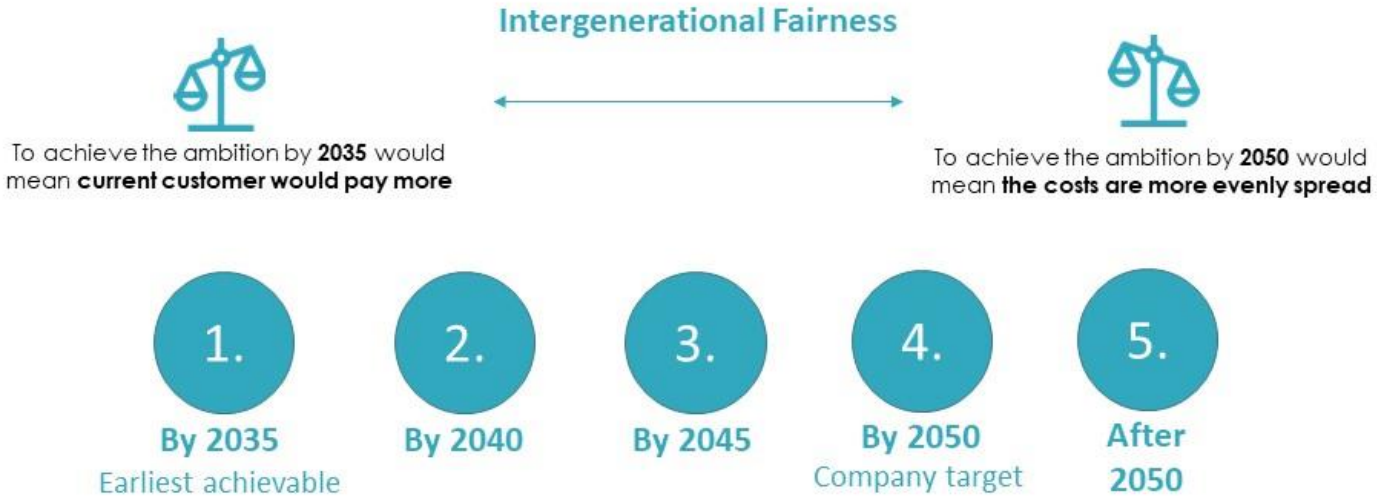
Ambition	To remove all lead pipes **by 2050**.
Benefits	Removing all lead pipes means no longer needing to treat the water supply with chemical additives to make it safe and any the very small risk of lead pipe causing health problems if it were to be badly damaged. Opportunity to address other issues while work takes place – such as situations where customers share supply pipes which can then be split to tackle low pressures problems, and being able to fit water meters.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovation
Should the company invest now or wait for new technologies to avoid digging up the ground to replace pipes which will help reduce disruption to customers.

Should the company pursue this ambition, and if so, by when?



8

Q18b. Do you support this ambition, and if so, when do you want it achieved by? Please remember we want to understand your views on which generations of customers should pay to deliver the ambitions and targets.

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q19b. Approximately, 1 in 4 properties in the area have a lead supply pipe(s). Do you think these customers should pay the majority of costs to replace them or should the cost be spread evenly across all customers? It can cost over £1,000 to replace a lead pip to a single property?

Customers at the 1 in 4 properties who have a lead supply pipe(s) should pay the majority of costs to replace them
The costs should be spread evenly across all customers

Q20b. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

Supply Interruptions

Supply Interruptions – no specific legal targets

Ambition	95% of interruptions are under 6 hours in length, with the remaining 5% mainly under 24 hours in length. These interruptions can really impact people's lives. The ambition is to reduce the average time a property is without a water supply from **2:44 minutes (current)** to **under 1 minute by 2050**
Benefits	Customers, both households and businesses, will be less likely to be impacted by their water supply being temporarily interrupted for any period of time.

Considerations

Intergenerational Fairness
Should the ambition be pushed back further to spread the cost over a longer period of time, or brought forward?

Innovations
Should the company invest earlier in new technologies which avoid digging up the ground to replace pipes to reduce disruption to customers and continue investing in a full smart network that identifies bursts before they happen so they can be fixed and not impact customers?

Should the company pursue this ambition, and if so, by when?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Company target
5. **After 2050**

3

Q18c. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (company target)
Yes, after 2050

Q19c. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was behind your choices.

<open text>

turquoise

WINEP

Water Industry National Environmental Programme / Biodiversity protection – WINEP is a mandatory target for all water companies

Ambition	Ensure more water environments (such as rivers and underground aquifers) have healthy level of water flowing in them by reducing the water it takes from them to meet human demand by **50 million litres per day by 2050** – current daily demand for water is around 83 million litres (or 400,000 full bathtubs). This will partly be achieved by building a new reservoir.
Benefits	More water environments to have a healthy level of water flowing in them. Taking less water for human need, helps recovery of any damaged water environments. Investing in the WINEP helps restore biodiversity – i.e. more investment to better support a wider number of local animals and wildlife to flourish.

Considerations

Do you want the company to go further than its mandatory targets reducing the amount of water it takes by 2050 and protecting and restoring the water environments that are under greatest threat - such as undertaking multiple detailed investigations of **77km of chalk streams** between 2025-2028 to understand which underground aquifers they need to take less water from and when.

Intergenerational Fairness
Should going further than the mandatory requirements be timed to spread the cost over a longer period of time, or brought forward?

Even though the WINEP is a mandatory programme each year, do you support this ambition? Do you want it achieved sooner?

Intergenerational Fairness

To achieve the ambition by **2035** would mean **current customer would pay more**

To achieve the ambition by **2050** would mean **the costs are more evenly spread**

1. **By 2035** Earliest achievable
2. **By 2040**
3. **By 2045**
4. **By 2050** Mandatory target for all water companies
5. **After 2050**

5

Q18d. Do you support this ambition, and if so, when do you want it achieved by?

No, I don't support this ambition
Yes, by 2035 (earliest achievable)
Yes, by 2040
Yes, by 2045
Yes, by 2050 (mandatory target for all water companies)
Yes, after 2050

Q19d. It's really important to understand the reasons for your choices, so that Cambridge Water can use your feedback to help it make the right decisions on when to make investments. Please can you tell us more below about your views for this ambition and what was why behind your choices.

<open text>

turquoise

Section 6

Finally, a few questions about you. This information will help us to better understand your responses.

Q20. Does your organisation have a water meter? **SINGLE CODE**

Yes
No
Don't know **DO NOT READ**

Q21. Which one of these statements best describes how your organisation uses its water supply?

We only really use tap water or drinking water, toilets/hygiene and to provide refreshments for our staff (e.g. shop/office)
The use of tap water is a key part of what our organisation does (e.g. café, bar, pub, hotel, manufacturing)
We use tap water as part of a healthcare service or duty of care that we have for people we look after (e.g. school, care home, hospice)
We store and/or treat the tap water supply on-site (e.g. to remove water hardness, extra purification) as we need a higher quality to run our day-to-day business operations
Other, please specify

Q22. How essential would you say the supply of water is to the day-to-day running of your organisation?

Not at all essential
Not essential
Neither not essential nor essential
Essential
Absolutely essential
Don't know

Q23. Which of the following do you identify as? **SINGLE CODE**

11. Male
12. Female
13. Non-binary
14. Other
15. Prefer not to say

Q24. Which of the following age groups do you fall into? Are you... **SINGLE CODE**

9. 18-24
10. 25-34
11. 35-44
12. 45-54
13. 55-64
14. 65-74
15. 75+
16. Prefer not to say

Q25. Which of these groups best reflects your background?

White

British

Irish

Any other White background

Mixed

White and Black Caribbean

White and Black African

White and Asian

Any other Mixed background

Asian or Asian British

Indian

Pakistani

Bangladeshi

Any other Asian background

Black or Black British

Caribbean

African

Any other Black background

Chinese or Other Ethnic Group

Chinese

Any other ethnic group

Prefer not to say

Q26. On a scale of 1 to 5, where 5 is very good and 1 is very bad, using the rating scale below please let us know how you would rate each of the following about this study. We will use this feedback to help us make improvements in the future.

RANDOMISE	**1 Very Bad**	**2**	**3**	**4**	**5 Very Good**
Length of study					
I understood what I was being asked to comment on					

Q27. We really appreciate the time that you have given us today. Would you be willing to be contacted again by Turquoise for clarification purposes, or to be invited to take part in other related research for Cambridge Water? **SINGLE CODE**

13. Yes, for both clarification and further related research
14. Yes, for clarification only
15. Yes, for further related research only
16. No

Q28. Thank you for taking the time to give your feedback. Please select how you would like to receive your £5 thank you:

Love2Shop voucher – accepted at more than 50 popular brands, including online shops, high street favourites and delivery services
Donation to Water Aid – a charity who works globally to ensure more people have access to clean water every day
Donation to The Trussell Trust – who run a nationwide network of food banks

Finally, please can we take a note of your name and where we can contact you for the purposes you agreed to (including the £5 thank you voucher or charity donation)?

Respondent name: ……
Respondent telephone: ……
Respondent email: ……

Thank you for your time and valuable feedback.

South Staffs Water and Cambridge Water (SSC)

Long-term Delivery Strategy customer research
Draft Report June 2023

Full colour thinking from Turquoise for SSC