Deliberative Research concerning

Consumers' Priorities for PR09

for the Water Industry Stakeholder Steering Group

10/06/08

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I. Executive summary: reflections and key areas

1.1 Reflections on the Deliberation

Background

The research was commissioned by eight stakeholders with interests in the water and sewerage industry[1]. The overall objective was to explore and understand consumers' expectations and priorities in respect of water and sewerage services for the period 2010 to 2015 in particular, but also in the longer term context, for each Water and Sewerage company region and to show how these views are affected by increased knowledge of the issues.

Process

The research was conducted using a three-stage deliberative method. The first stage, of discussion groups, produced a picture of beliefs and attitudes before deliberation reported in full in Section IV. The findings from the second stage, self-guided deliberation in the everyday context, and the third stage, deliberative workshops, produced the views and opinions of an informed audience and are reported in full in Section V and the regional specific data is reported in Section VI.

The Executive Summary, except where specified, reports the opinions of respondents after they had informed themselves on the issues through the deliberative process.

The opinions reported and the verbatim quotations included in this document express the views of the members of the public who took part in the research. They may not represent, nor correspond to, the views of the organizations which commissioned the research. The quotes included are typical and representative of the sample unless specifically stated otherwise.

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[1]Consumer Council for Water (CCWater), Department for Environment, Food and Rural Affairs (Defra), Drinking Water Inspectorate (DWI), Environment Agency (EA), Natural England (NE), Water Services Regulation Authority (Ofwat), Water UK (WUK), and the Welsh Assembly Government (WAG)

<u>Discussion</u>

Most respondents started this process with a fairly simple set of beliefs and attitudes toward and about the water industry. The great majority rarely, if ever, think about their water and sewerage services in the course of their everyday lives. The primary attitude to the services is one of non-reflective trust and reliance. They assume that the drinking water is safe, and the majority are neutral or positive about the taste. Most, but not all, respondents see their water bill as relatively good value compared to other utilities.

There was a great deal of satisfaction with the service provided by the water and sewerage companies. However the simplicity, consistency and reliability of services resulted in praise being very simple. It is worth noting in this context that the water and sewerage services are generally so much taken for granted that spontaneous praise is rare.

> *"In twenty five years I have never had a problem with any services, water or sewage. The quality of the water in my area is very good."*
>
> Nottingham

When water and sewerage services are mentioned the three most common first responses are firstly, comments that the benefits are usually taken for granted, secondly references to leakage in the infrastructure and thirdly condemnatory remarks about water company profits.

Customers' two main priorities were that companies (i) reduce leakage and (ii) ensure that bills are affordable.

However, the activity of deliberation revealed and unleashed an enormously broad range of attitudes to a huge range of problems with many inter-connecting variables. Whilst few changed their initial stance of disapproval of both leakage rates and profit levels almost all began to appreciate the range of issues facing the industry. A few offered thoughtful solutions.

Overall there were no differences of opinion that correlated directly to socio-economic grouping. However those who were living on low-incomes, whether or not in work or retired, tended to consider controlling prices considerably more important than any other issues.

There is clearly widespread, enduring concern about private, profit-making ownership of an essential service.

"A basic utility like a water company should not be a business, unless the customers themselves are the shareholders."

Great Yarmouth

Some saw that the companies were therefore in a difficult situation.

"The water companies have got a real uphill struggle. If they are efficient and well-run companies and they make a profit, they're just going to get knocked. People don't think that water is something that you should make massive profits from."

Bournemouth

It was clear that the impact of water bills on people's views depends largely on disposable income. On the whole even when ABC1 respondents are negative, or worked up about their water bills, they are not inconvenienced. To some low income respondents, in particular working single parents and pensioners on fixed incomes, the threat of increased bills is very worrying indeed. A few felt that the government should offer assistance.

"They give people council tax benefit, why not give people water benefit?"

Yeovil

Many felt that re-nationalisation should be considered, primarily so that money was not 'siphoned off' to shareholders and secondarily because for many it would follow that there would be a single national water rate which would be more equitable.

However the nationalisation advocates rarely addressed future funding requirements. It is not clear how they felt funding should be addressed so we feel this issue would need to be specifically and sensitively explored if it were ever to be considered.

Some felt there could be some contribution to funding requirements by offering customers a greater stake in the companies.

"Why don't they borrow from consumers for future improvements by selling them shares in the company?"

Great Yarmouth

Throughout the sample comparisons were made with the competition between the providers of other utilities. Many respondents felt that they would prefer to have a choice of water and sewerage service providers because they believed that such competition would help to moderate prices.
A good number believed however, that the fundamental driver of the industry was profit.

> *"A lot of these foreign multi-nationals are falling over themselves to buy into the utilities and they are only doing it because there is a profit."*
>
> Bristol

And some felt the result of the deliberation and the price review was a foregone conclusion.

> *"What's the point of having this price review when the perishing thing goes up all the time anyway?"*
>
> Manchester

The great majority of respondents were willing to make changes to address environmental issues provided that companies make similar efforts. They felt however that companies, not customers, should fund infrastructure improvement and profits should be at risk if performance is poor.
As one respondent noted:

> *"At no time during the company's life have they finished the year making a loss."*
>
> St Austell

<u>Wales</u>

Research was conducted in Cardiff and Wrexham, thus covering both Dwr Cymru and Dee Valley Water. Findings were very similar to those in England and overall respondents felt they had reasonable or good value for money.
Some respondents knew that Dwr Cymru, although profit-making, did not have shareholders like English water companies, and a few had noted some shareholder discount on their bills. This form of ownership was, on

the whole, felt to be a good thing. There was some feeling that Wales is being exploited as they believed that Birmingham and other cities in England are supplied with water from Wales but English customers are paying less for it than customers of Welsh Water.

1.2 Key Areas

Social and Economic Context

Throughout the sample there was pronounced pessimism about the state of society, about politicians and institutions, and about the economy. Respondents knew that the cost of staples and utilities had risen considerably. This contributed to their fears of future price rises and the sense that many could not afford to pay more for their water and other utilities without hardship.

Water Supply

In their everyday lives most respondents rarely thought about their water supply. They take its safety, quality and reliability for granted. Most of the problems they experienced directly, such as discolorations and interruptions to supply, are temporary and most respondents are happy with the way such problems are handled. Very few respondents knew how much water they used, nor very much about the water supply system.

Sewerage

People think about sewage and the sewerage system even less than about their water supply, but are equally satisfied. Few respondents have experienced sewer flooding. Although both sewer flooding and the cost of preventing it have both low awareness and a low overall priority, when the problem is explained people are willing to continue to contribute towards preventing it at the same rate as they have been contributing to date.

Drinking Water Quality

It is clear that most people are very satisfied with the quality of their water supply. Indeed for most, it is so reliable that they scarcely think about it.

A minority complained about the smell of chlorine, a taste they don't like or occasional discoloration, but almost no one seriously questioned the safety of their water. A very small number had some worries about long-term effects of residuals such as oestrogens or traces of chemicals, including fluoride.

Cost

Respondents were aware that bills had risen overall but for the majority they still compared favourably to other utility bills. Some respondents in high rateable value homes or with high metered usage, and most respondents in the South West, however felt that their water bill was already excessive. Throughout the sample respondents on low or fixed incomes, particularly pensioners and lone parents, felt that although a price rise was inevitable they would be hard pressed to pay much more.

Water Industry Finances

There was widespread, if somewhat vague, awareness that water companies made large profits. There was very little awareness of overall turnover of the companies. There was widespread resentment at reported levels of profit, particularly amongst respondents who paid higher bills, amongst those who were aware of leakage figures and amongst some who had experienced hosepipe bans. Some noted that customers cannot choose not to consume water and others that profits did not appear to be hampered by poor husbandry of resources, hence the risks the companies run in order to earn their profits appear atypically minimized.

Some respondents believed that because water and sewerage are essential services the industry should never have been privatised. Some felt that there should be direct competition between companies and that customers would then benefit from its effect on prices.

Foreign ownership of companies was resented and reports that several water companies had recently been bought or sold was taken as evidence that they are desirable because profitable at the expense of the captive customers. Further investigation into the water company finances during the deliberative period considerably increased resentment. A good number felt the companies were exploitative and could not be trusted.

Leakage

All respondents felt that the rate of leakage was unacceptable. All felt that it should be reduced, and continue to be reduced. While some respondents were willing to accept a slight (2 or 3%) increase in bills to fund leak repairs the majority felt that the cost of repairs should be met from profits until the leakage is reduced considerably. Discussion of many other issues, such as water conservation or the necessity to meet future demand nearly always lead back to repeated insistence that leakage must be reduced. Hence it was clear that reasons to reduce leakage are not solely economic, but diverse.

Environment

Most respondents were satisfied with the current state of the water environment. Most felt that rivers and coastal waters are considerably cleaner now than a decade or so ago. None felt that the water environment was the sole responsibility of the water industry. Rather it was felt that local and national government had a part to play. In the South West it was felt that visitors and second home owners who benefit from improvements to coastal waters should contribute towards the cost of those improvements. Overall leisure users of the water environment were very positive.

Many, but by no means all, feel that global warming is a threat to which all sections of society must respond. Most felt that the water industry must address the probability of water shortages and must therefore improve collection and storage and reduce leakage. Initially, few thought that the water industry contributes significantly to greenhouse gases. During the deliberation some respondents were pleased to discover that the water industry is responding to the challenge of climate change. Awareness of methane and other greenhouse gas emissions was raised and some felt that methane emissions in particular should be reduced.

Responsibilities and water conservation

A good number of respondents had thrifty habits and conserved water, whether or not they were on a meter. Some metered customers claimed metering made no difference to their consumption, others claimed it had affected their consumption.

Whilst many were willing to save more, there was quite a bit of feeling that water-saving devices should be promoted and subsidised by the water companies or the government. Some respondents were aware of some such subsidies at present. Compliance and motivation to save water were adversely affected by perceptions of leakage from the infrastructure.

<u>Information and Education</u>

Respondents enjoyed both the deliberative process and learning more about the water industry. As they learned of the challenges facing the industry they felt more information should be made available in schools and to the public. As most agreed that they threw away bill inserts the most popular suggestions for public communications were television advertisements, documentaries and single, pithy informative statements printed on water bills such as "In 17 minutes a lawn sprinkler uses as much water as one person uses in a whole day." The topics they considered important included how water and effluent is treated and what is used, why water conservation is necessary and how to do it, how much water an individual uses and awareness of what should not be introduced into sewers.

<u>Influence on Consumers' Investment Choices</u>

Respondents were most strongly influenced by their own experience of their water supply and the bills they paid. Those who felt their bills were too high were most likely to resent water industry profits and be critical of leakage and the service they receive. The second most powerful influence on opinion and debate were media stories, primarily about leakage and profits.

Customers tend to approve of 'altruistic' expenditure, such as to mitigate sewer flooding, because they can imagine the unpleasantness of the problem and believe that the sufferers could have done little to avoid it. They are somewhat less willing to fund sewage treatment works odour reduction because they believe that those who live nearby should have found out about the problem before moving there.

<u>Willingness to pay for Infrastructure Investment</u>

The great majority of respondents felt that water companies, like other private sector companies, should finance their future expenditure from their own profits and resources. A small number wanted their bills to fall and were happy for improvements to be curtailed or slowed down as a result. Some, persuaded of the unique environmental and population pressures on the industry, were willing to make a small contribution towards the investment but only on the condition that their contribution was more than matched by contributions from shareholders.

<u>Customers' Priorities, Investment Priorities and Timing</u>

At the end of the deliberative process respondents were asked how they felt water companies should invest in improvements over the forthcoming financial period from 2010 to 2015.

The two leading priorities for customers, as noted earlier, were reducing leakage and ensuring bills are affordable. The second of these two is not an investment priority but rather an overarching priority which limits the amount customers are willing to contribute towards investment.

Within the limits of that willingness to contribute, the charts below indicate the areas designated most often as most important (1st and 2nd placings) and least important (9th and 10th placings), as measured by desired investment level. The most common 1st or 2nd placing, "Water pipes", below refers to maintaining the water supply system and primarily to reducing leakage. The next most common 1st or 2nd placing, "Water safety", refers to maintaining the current level of safety of the drinking water supply. Respondents did not feel that the level of safety needed to be raised, but rather that, if it was necessary, money should be spent to preserve the current standards.

The third most common 1st or 2nd placing, "Supply" refers to ensuring there is adequate supply to meet future demand.

These three – reducing leakage, maintaining current levels of safety and meeting future demand - were customers' leading investment priorities.

The next two priorities in rank order, "Maintaining Sewers" and "Environment" (referring to improving the environment impacted by the water industry), were placed 1st or 2nd only half as often as "Supply" and only one third as often as "Water pipes". In other words, overall they were considered markedly less important priorities. Across the sample "Maintaining Sewers" was ranked most often as a middling priority whereas

“Environment” was placed evenly across all the rankings from highest to lowest priority.

In terms of timing, customers felt that priorities of timing were the same as investment. In other words the most urgent improvements were fixing the leaks, maintaining current safety levels and ensuring adequate supply to meet future demand.

Customers did not place a time limit on the required improvements or maintenance. They did not consider the price review period to be a relevant temporal limitation. In other words they felt the work should be done speedily and carry on as long as necessary.

Customers want an efficient, safe, reliable supply of water at a reasonable cost now and in the future and everything else is of markedly less importance.

Fig. 1: Frequency of 1st and 2nd placings in investment priorities

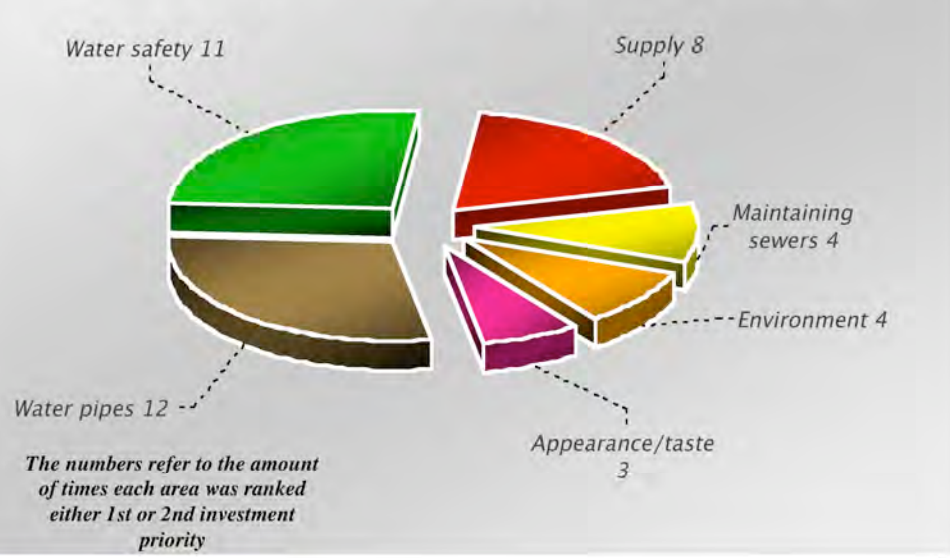
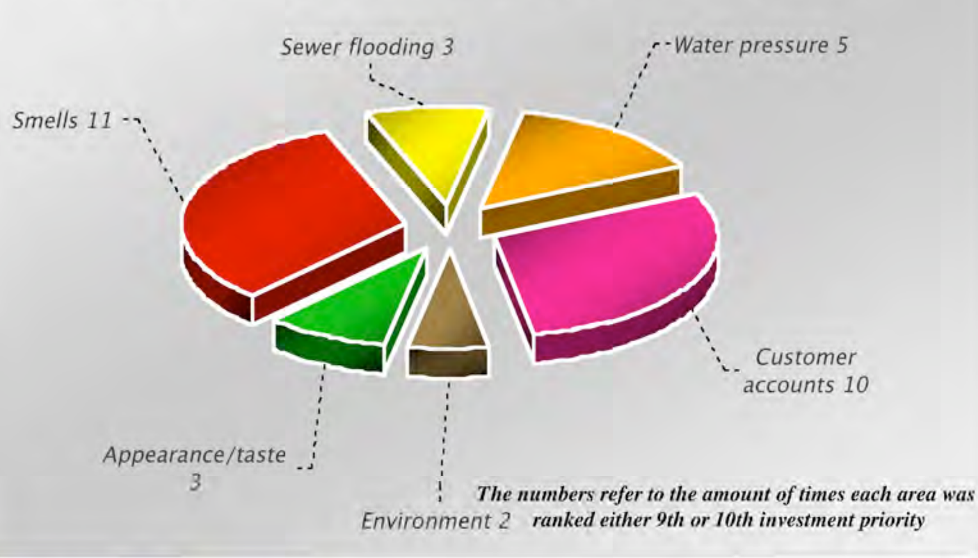


Fig. 2: Frequency of 9th and 10th placings in investment priorities



II. Introduction

2.1 Background

Eight stakeholders with interests in the water and sewerage industry, [Consumer Council for Water (CCWater), Department for Environment, Food and Rural Affairs (Defra), Drinking Water Inspectorate (DWI), Environment Agency (EA), Natural England (NE), Water Services Regulation Authority (Ofwat), Water UK (WUK), and the Welsh Assembly Government (WAG)], commissioned deliberative research in order to inform their communications with consumers and their considerations in relation to proposals by Water Companies in England and Wales concerning:

- Draft Business plans, including pricing for the period 2010 to 2015 (PR09)
- Water Resource Management Plans (WRMP)
- Longer-term Strategic Direction Statements (SDS).

The overall objective of the project was to explore and understand consumers' expectations and priorities in respect of the water and sewerage services for the period 2010 to 2015 in particular but also in the longer term context for each Water and Sewerage company region, and to show how such views are affected by increased knowledge of the issues.

This exercise was required to inform decision-makers on consumers' views on the importance of different aspects of service, their broad priorities for water and sewerage services and their willingness to pay for, and affordability of, improvements. The work was also to inform stakeholders' communications with consumers on future investment and bills to maximise satisfaction and understanding of the outcome of the price review.

The opinions reported and the verbatim quotations included in this document express the views of the members of the public who took part in the research. They may not represent, nor correspond to, the views of the organizations which commissioned the research. The quotes included are typical and representative of the sample unless specifically stated otherwise.

2.2 Research objectives

The specific research objectives of the project were as follows:

2.2.1 Explore how consumers' views are placed within a wider social and economic context:

- To explore broadly, consumers' views of water and sewerage service relative to other social issues such as health, education, transport, environment, global warming etc.
- To explore consumers' understanding and views about how responsibilities for drinking water quality, the water environment and other services are or should be shared between individuals, the water industry and other industries.
- To explore consumers' understanding and views of the financing requirements of the Water Industry and the part played by water bills in financing the industry against a background of rising household bills.
- To explore the use consumers make of and the value they place on the water environment and what might change this.

2.2.2 Explore consumers' views and needs and their priorities for achievement of programmes of work in respect of the water industry:

- To explore consumers' general perceptions on existing levels of water and sewerage services including the current quality of drinking water, sewer flooding, maintenance of assets including pipes and sewers, the water environment and customer service standards in the water and sewerage industry.
- To understand in which of the above areas consumers would like to see improvements.
- To explore consumers' relative priorities between these different aspects of water and sewerage service.
- To discover consumers' priorities for the timing of these improvements and maintenance: what should be implemented up to 2015 and what they believe could go beyond this price review period.

- To explore what influences consumers' choices: for example, local problems, changes to bills, affordability, sewer flooding, altruism, need for improvements to the environment, protection against flooding and other economic pressures.
- To understand consumers' perceptions on how the actions of the water industry affects their environment including their recreational use, tourism and economic growth.
- To explore consumers' perceptions about leakage and water efficiency in the context of companies' obligations.
- To explore how increased information impacts on the views of customers.

2.2.3 To explore the extent of consumers' willingness to pay for the delivery of programmes of work in the context of the inter-relationship between water issues and on the basis of obligations that the Water Industry must deliver:

- To update information on consumers' views of overall value for money provided by water industry.
- To understand where consumers believe the burden of payment should fall for programmes to improve the water environment.
- To explore how consumers' views about their preferred areas or speed of improvement would vary if bills had to change by varying amounts to pay for improvements.
- To explore willingness to pay for improvements over different timescales.
- To explore whether consumers would prefer to pay less for lower standards of service (ensuring that it is clear what the consequences of these lower services would be).
- To explore and understand the reasons for customers being willing to pay for improvements for which they obtain no direct benefit (non-use values).

2.2.4 To explore consumers' views on information:

- Investigate the best means of providing information to consumers about what their water and sewerage services cover.

- Investigate the best means of helping consumers to increase their knowledge and understanding of water and sewerage issues.

III. Methodology

3.1 Method

The project used a three stage deliberative method:

Stage 1	Initial Extended Groups of 1hr 45mins in which participants gave unprompted views and engaged with the core topic areas
Stage 2	Self-guided Deliberation over a period of 1 - 2 weeks in which participants deliberated on the issues in the context of their everyday lives, values and concerns
Stage 3	Deliberative Workshops of 3hrs duration in which participants shared, explored and developed their individual deliberations and where the significance and relationship of diverse issues was probed and compared.

This method produced two sets of findings. The first set from Stage 1, reported in section 4, are those uninformed by deliberation. They outline the social and economic context and the pre-deliberative concerns and awareness in relation to the water industry. Also in section 4 are recorded some remarks illustrative of responses to the first meeting with information about the industry as prompted by the stimulus (See Appendix II).

The second set of findings, recorded in section 5, are the outputs of Stages 2 and 3 - the self-guided deliberation and the deliberative workshops, including written comments from respondents' deliberative folders.

This process, and this separation of the findings, gives us a picture of beliefs and attitudes before and after deliberation.

3.2 Timing

A pilot study of three groups to test comprehension of the stimulus was conducted on 15/10/07.

Fieldwork proper started on 22/10/07 and ran through to 11/12/07.

3.3 Personnel

The project was led by Hugh Willbourn and David Corr.
They were assisted by Sam Surl, Caitlin McKenna, Bee Laird, Karen Gale, Margaret Meyer, Julia Munrow, and Richard Clayton.

3.4 Sample

The sample was designed to provide a robust and representative cross-section of members of the public who pay water bills directly or who contribute to the household expenses. It also included future bill payers and persons whose payment for accommodation covers the cost and provision of water and wastewater services and partners of bill-payers not in paid employment.

Fig. 3: Sample

Water Company Region	ABC1		C2D	E
Wales	*Age* 20-34 Cardiff	*Age* 50-64 Cardiff	*Age* 65+ Wrexham	*Age* 35-49 Wrexham
South West	*Age* 35-49 St Austell	*Age* 65+ St Austell	*Age* 20-34 Exeter	*Age* 50-64 Exeter
Wessex	*Age* 20-34 Bournemouth	*Age* 35-49 Bournemouth	*Age* 50-64 Bristol *	*Age* 65+ Yeovil
Southern	*Age* 65+ Lewes	*Age* 20-34 Lewes	*Age* 35-49 Eastleigh	*Age* 50-64 Eastleigh
Thames	*Age* 35-49 Watford	*Age* 50-64 Watford	*Age* 20-34 Tower Hamlets	*Age* 65+ Tower Hamlets
Midland	*Age* 50-64 Walsall	*Age* 65+ Walsall	*Age* 35-49 Nottingham	*Age* 20-34 Nottingham
Eastern	*Age* 20-34 Kettering	*Age* 35-49 Kettering	*Age* 50-64 Gt Yarmouth	*Age* 65+ Gt Yarmouth
North West	*Age* 65+ Manchester	*Age* 20-34 Manchester	*Age* 50-64 Preston	*Age* 35-49 Preston
Yorkshire	*Age* 50-64 Leeds	*34* 65+ Leeds	*Age* 20-34 Sheffield	*36* 35-49 Sheffield
Northumbria	*Age* 35-49 Morpeth	*38* 50-64 Morpeth	*Age* 65+ Hartlepool	*40* 20-34 Hartlepool

* Group 11 was originally scheduled for the Yeovil / Dorchester area but due to inadequate attendance was reconvened in Bristol.

Criteria for Recruitment of Respondents

- 8 per group, 16 participants per workshop *[Out of a theoretical total of 320 respondents 306 completed Stages One, Two and Three, equivalent to a non-*

completion rate of 4%. Four respondents who were indisposed on the date of the Stage Three meeting submitted their Stage Two deliberative folders by post.]

- Mixed gender
- Bill payers: those who pay directly or who contribute to the household expenses and future bill payers who expect to be as above
- Non bill payers (up to 10% of sample): those whose payment for accommodation covers the cost and provision of water and wastewater services and partners of bill-payers not in paid employment.
- SEG "E" over 65 were (i) either retired people who were previously unemployed for five out of the previous ten years or (ii) pensioners in receipt of only a state pension
- Range of households – single, sharing, married, co-habiting, with and without children
- Mix of metered and non-metered households: approx. 25% metered
- Inclusive of ethnic diversity
- People working directly or indirectly in or for the water industry were excluded.

The full recruitment questionnaire is attached in Appendix III.

IV. Main findings and analysis: Pre-deliberative

The main report is divided into two sections. The first (4.1 ff.) reports comments and findings from respondents when they had no prior knowledge of the research topic. Hence these findings reflect the attitudes of the general public who are not specially informed and refer, for the most part, to current levels of service.

The second section (5.1 ff.) reports the comments and opinions, both spoken and written, of respondents when they had informed themselves about the water and sewerage industry by deliberation and their own research.

4.1 The Social and Economic Context

The research was required to explore how consumers' views are placed within the wider social and economic context. In order to answer this objective faithfully the wider social and economic context was explored first, and consumers' views around water and sewerage services emerged or were explored when the context had been made clear.

There was a high degree of consistency across the sample. It was noteworthy that across the whole sample there was disenchantment, concern and pessimism about the state of the affairs at many levels. Spontaneous comments were almost unremittingly negative. The current social and economic outlook was generally considered poor. There was remarkable strength of feeling and similarity of concerns across the sample. The significance of the views outlined below is twofold:

- firstly it was clear that, with the exception of those who believed their bills were excessively high, consumers were notably more concerned about these contextual issues than they were about water services related issues
- secondly, people were largely pessimistic about the future and expected that they themselves, and the water industry where relevant, would have to deal with the consequences of large-scale immigration and other social, political and economic problems.

Respondents felt that much of what happened around them and to them was out of their control and believed that many politicians are divorced from public concerns.

4.1.1 Immigration and Emigration

In all regions of both England and Wales there were negative comments about immigration. In a few groups there were one or two respondents who considered immigration to be a benefit to the country. The vast majority considered it to be a disbenefit for several reasons, including generating social tensions and burdening the benefit system. Immigration was believed to exacerbate other problems, including increasing demand for housing and hence demand for water and sewerage services.

Talk of immigration often led to talk of emigration and in some groups over half the respondents had seriously considered it. Several were planning to leave in the future.

4.1.2 Property prices

The price of property is widely considered to be a serious problem for younger people trying to set out on their own. However house prices are widely expected to fall.

4.1.3 Employment

In many parts of the country respondents believed that there are problems with employment. It was reported that graduates cannot find work at graduate level and in the South West in particular wages are very low and employers prefer to offer part-time work.

At the same time, the benefits system is generally believed to be being widely abused.

4.1.4 Education, Respect and Crime

Respondents were critical about the current state of education and its achievements. The mention of education typically provoked a discussion about how there is less respect and politeness in society, particularly amongst children and young people.

A few respondents were less pessimistic and felt that many of the children hanging about on the street were not as bad as they are painted but simply had nothing else to do.

The lack of respect was felt to contribute to a perceived rise in crime in general, and potential violence on the street in particular. A good number of respondents did not feel safe walking about their own towns or cities after dark.

4.1.5 Global Warming

There is widespread awareness of the issue of global warning and a wide range of responses to the problems it is said to cause. A good number of respondents had reservations about either the reasons for or the reality of global warming, and even amongst those who believed the claims many felt that it was being used by politicians in pursuit of other agendas.

4.1.6 Government, Regulation and political process

Many Government policies and actions, both in the UK and abroad, are considered by the majority to have produced largely negative results. Respondents cited as mistakes or failures the wars in Iraq and Afghanistan, failings in education and health and rising crime.

There appeared to be little or no respect for individual politicians, nor for the political process. Many respondents felt that society was over-regulated, and Health and Safety regulations were widely felt to be perverse and excessive.

Politically correct language and policy were felt to hold too much sway and were resented by many.

4.1.7 Distrust of Institutions and Big Business

There was considerable distrust of institutions, both civil and governmental. Company directors were frequently referred to as "Fat Cats" and often seen to be acting primarily in their own interests, secondarily for the shareholders and lastly – by a long way – in the interests of the customers.

4.1.8 Personal Economic Situation

There was very little optimism about the macro-economic climate. Closer to home there was universal consensus that everyday costs are rising. The prices of food, petrol, gas, electricity, council tax, insurance, broadband, public transport and water are all believed to have risen markedly.

One or two voices pointed out that overall, modern times had brought a good many benefits.

However most respondents were pessimistic about the future. In particular, a good number of respondents were aware that their own financial circumstances were sub-optimal. Single parents and young families reported operating within a tight budget and many pensioners, on fixed incomes conveyed their alarm at facing rising prices for utilities and household staples.

4.2 Initial Questions

After the initial discussion of the current context, moderators encouraged the discussion to move towards water issues. Then, before they were shown material about the water industry, respondents were invited to imagine they had access to a panel of experts on anything and everything related to the water industry - and they were invited to pose to them any question they wished. The questions they wrote down illustrate the areas of prominence and concern. The questions have been grouped together by type, with repetition omitted. All of the regions generated a broadly similar set of questions.

4.2.1 Bills and cost

Why is it expensive when we live on an island?
How can I reduce my bill?
Why does my bill go up each year even when it's the wettest year ever?
Why can't we have a national uniform rate?
Who decides how much we pay?
Why does everyone pay a different amount for the same amount of water?
Why do I, living on my own , pay as much for water as next door where five live?
How soon after non-payment is someone's water cut off?
Do you think that a privatised water industry offers value for money to the consumers compared to a nationalised water board?

4.2.2 Supply management - current and future

In ten year's time what percentage increase will there be in the south east for water demand?
What investment is currently being spent per annum?
If the population is increasing can the water industry cope?
What renewal programme do you have in place?
Do you recycle any water?
How will you save water and prevent future droughts?
What future planning/strategies are there to tackle demands by consumers?

4.2.3 Water safety, quality, chemicals

Why does my water smell of Domestos?

How pure is the water you drink?

What controls are in place to stop contamination?

Why does water taste different in different areas of the same city?

Is water filtered/cleaned before it comes to our homes?

How pure is our water?

How safe is our water?

Should I be filtering my water?

Why do we have to have so much chemical in our water supply?

Is the water really clean enough - should we be drinking from the tap?

Is fluoride in water a good or bad thing?

4.2.4 Leaks, pipes and repairs

Why won't the water companies repair leaks?

Why can't you sort out the leaks?

Why does it take so long to fix leaks?

How much is factored into household bills to pay for leakages and pipe repairs?

Do you see a time when all leaking pipes will be replaced?

How many gallons/litres are lost annually through leakage?

Are you repairing leaks on target?

Why does it take 3 months to come out and check leaks and then another month before it's fixed?

4.2.5 Environment issues and water saving

How do you safeguard the environment?

Should efforts be made for all houses to catch rainwater in butts?

How much of the yearly profits are put back into funding environmental advancement?

Why should we save water?

Can you give me tips on saving water?

Are there any plans to use desalination plants?

Why are we advised to be Green and not waste water, when the volume of water leaking from Severn Trent is horrific?

4.2.6 Meters and metering

Do all new houses being built have water meters installed?

How much cheaper would a water meter be?

What is the policy regarding water meters and is it anticipated that more introduction would result in cheaper water?

Why is there no benefit to having a water meter for an average family?

What proof is there that a water meter would save me money?

Are there government proposals to make every household have a meter as a matter of course?

4.2.7 Flooding, defences and planning

Why do we have flooding in this day and age?

Why are so many buildings allowed on the flood plains thus causing flooding?

What improvements can be made to deal with flooding issues in some areas?

Why are the drains on the main roads blocked up?

Why do we not invest in flash flood outlets?

What are you going to do to stop future flooding?

Can the water company give us more assurance that there won't be as many floods?

How will the water companies cope if foul water (floods) contaminate their reservoirs?

4.2.8 Ownership, regulation and choice

Why is there no choice for water like there is for electricity and gas?

Why doesn't the regulator impose harsher penalties for poor performance e.g. wastage?

What percentage of my local water company is foreign owned?

Do I have a choice of water provider?

Where is the competition to encourage no waste and low prices?

Has Ofwat as much teeth as other government quangos?

What are the realistic prospects of privatisation being reversed?

Who are Ofwat - are they government or water people?

4.2.9 Sewerage, sewage and smells

Is sewage still pumped into the sea?

Where does our sewage go?

What happens to toilet paper?

What happens when you flush the chain - where does it go?

Will we be using recycled sewage water at any time in the future?

Can human waste be recycled effectively to address energy supply demands?

Why does the local sewage plant smell when all residents were told it wouldn't?

Are enough sewage treatment plants being built to cope with the new housing and business developments?

4.2.10 Droughts and hosepipe bans

Why do we have hosepipe bans as soon as the sun shines?

How come countries like Spain, with far less rainfall, seem to cope far better than us?

Is it not possible for water to be pumped to areas of drought?

Why do we have hosepipe bans when it rains for weeks but two day of sun - bingo?

Why is there not a national pipeline for water as we provide for electricity?

What happens if global warming escalates - what will we do for water supplies?

4.2.11 Supply mechanics - how do you do what you do?

Where does my water come from?

How does water get to my house?

What percentage of the total water that is wasted is treated?

How much work is involved in supplying water to the tap?

Could the general public be made more aware of how the water companies 'process' water?

4.2.12 Profits and shareholders

Why do you need to make such profits and why is more not reinvested?

Why does the user pay for investments in pipelines when shareholders benefit from higher charges?

How much profit each year do all the water companies make?
What does the chairman do to make his salary acceptable?
How much is passion for the job and how much is passion for the money?
Is the profit lost through leakage recouped from customers?
Are private water companies more interested in their shareholders rather than consumers?

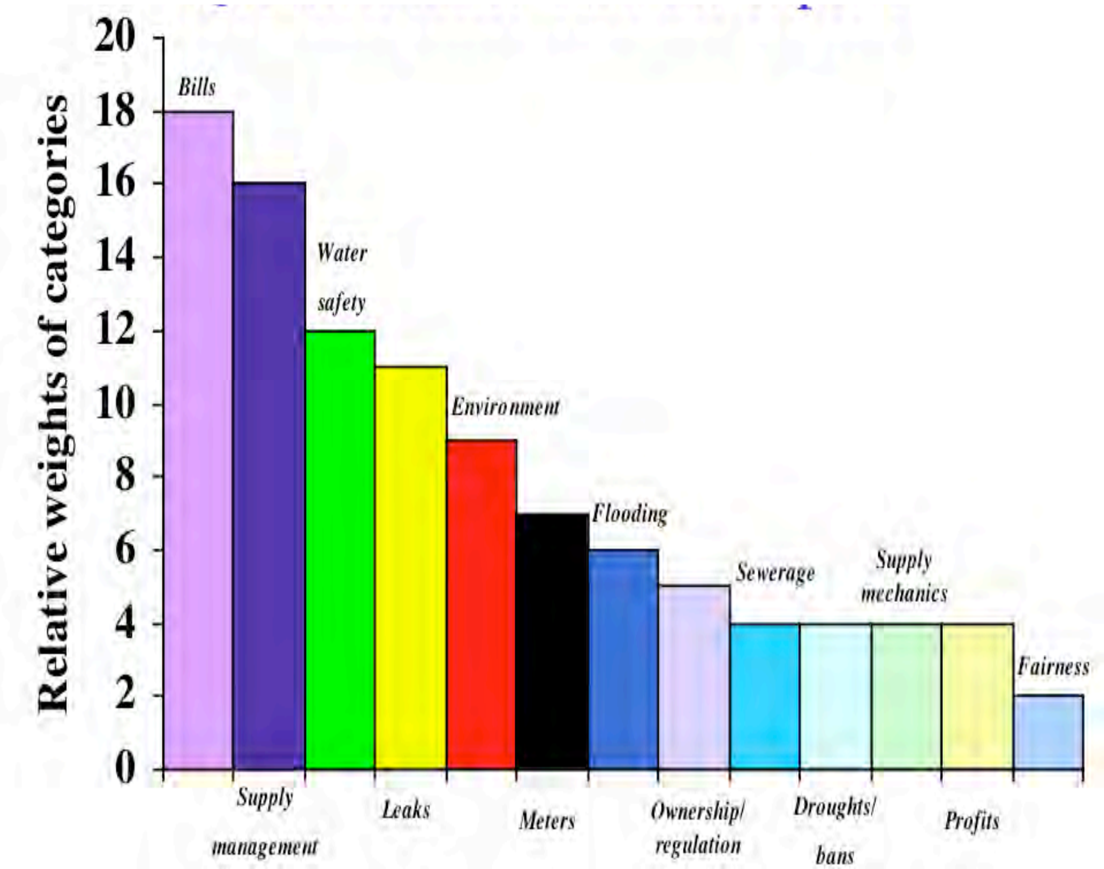
4.2.13 Fairness of the current system

How can you claim our bills are fair when they are the highest in the country and your executives get paid huge salaries?
Why is there no help on bills for low income families?
How do you justify charging a premium for <u>not</u> using Direct Debit?
Why do we have to pay the penalty when they waste so much water?

4.2.14 Question time: Relative weights of categories of questions

The table below shows the relative frequency of different categories of question. There were most questions about bills, billing and related issues. The second most common type of questions concerned the security of water supply for the future, and so on.
The categories on this table are the same as those above which are arranged in order of frequency.

Fig. 4:



Number of questions in each category as percentage of total.

4.3 Initial meeting with the stimulus

After spontaneous comments had been gathered, probed and developed and question areas had been noted and explored, respondents were shown a gallery of stimulus boards which were set out in a random order around the room.

See Appendix II for reproductions of the stimulus boards.

Respondents were asked to look around the boards, and after viewing them all to choose one element that stood out to them - for whatever reason. It is not possible to separate out the effect of the presentation of the data from the content, but their initial responses give an indication of typical top of mind responses to the information provided.

The quotations in the section illustrate typical responses to the initial meeting with the stimulus. They are first impressions. For the full, post-deliberative findings relating to a particular topic area, see the relevant part of section 5 later in the report.

Stimulus Board: "Who Supplies my water?"

This board was frequently chosen. Respondents were on the whole surprised to discover that there were so many different water companies and often confused by the presence of both water only companies and water and sewerage companies. There were no spontaneous positive comments about the number of water companies. On the whole the multiplicity of companies was considered a bad thing.

> *"How many companies there are! How can we need so many? How is it broken down and who chooses how it is broken down? The South should be broken up smaller as there are a lot more people down here."*

Bristol

> *"Too many bosses. If you had one unit it would run more efficiently."*

Eastleigh

> *"I didn't realise that there was 20 companies, why are there so many? That is bad. Bring back nationalisation it would make it a lot easier."*

Yeovil

Stimulus Board: "Water… The Water Monitors"

Very few had heard of all the bodies* mentioned on the board (*In Wales the board used referred to the Environment Agency Wales and the Countryside Council for Wales). There was surprise that so many organisations were involved in the water industry.

> *"I didn't know there was as many agencies monitoring the water industry, nor how many water suppliers there are in the UK. No wonder there's so much wastage – the bureaucracy must be a nightmare."*
>
> Morpeth

> *"With gas and electric companies, you hear more about what they are doing for the future, but with the water companies, I personally haven't really heard what they're doing for the future."*
>
> Lewes

> *"Too many cooks spoil the broth." "Why don't they amalgamate?"*
>
> Lewes

Stimulus Board: "How much water do I use?"

This board was frequently chosen. Respondents were very interested to discover how much water they used. Few had any notion of their consumption and many were shocked it was so much. A good number also wanted to know how much water a bath used.

> *"I'm shocked... that's an awful lot of water."*
>
> Eastleigh

> *"Maybe this is one of the reasons it costs us so much because we're using so much … Maybe we should back off a bit on things and be a bit more vigilant."*
>
> Sheffield

> *"The comparison of how much water you use in the sprinkler system and your average daily consumption is a little worrying. Now I see why you shouldn't use a sprinkler!"*
>
> Kettering

Stimulus Board "The price of water"

Many respondents were keen to know more about metering and about how the water industry spent money. A good number did not know that meters could be fitted free of charge. Many believed the pie chart illustrating the areas of expenditure was deceptive, concealing profit and dividends.

> *"Exactly where it's spent I think is interesting - ensuring that the systems can meet future demand ... When you come down to it you can manage without tea and you don't want to not have a wash but it gets a bit distressing when you can't flush your toilet."*
>
> Leeds

> *"They seem to be steering people towards having a water meter. Obviously they will get more money and get people thinking more about what they use."*
>
> Nottingham

> *It's just that key fact, the average litre of tap water currently costs about a tenth of a penny, but it doesn't say what that water would cost if it was metered or is that what it costs for an average householder."*
>
> Morpeth

Stimulus Board "Where does water come from?"

Climate change was frequently picked out and many respondents were very surprised by the rainfall figures. Some were interested to have the water cycle explained and illustrated simply.

> *"I found this really interesting the annual rainfall for London only being 611 whereas Sydney is 1223. I would have thought it would have been the reverse."*
>
> Watford

> *"I love the diagram bit, especially the information on the aquifers, and how they remove the debris."*
>
> Bournemouth

Stimulus board: "How does my water get to me?"

Many were fascinated by the glimpse afforded of the industry infrastructure. However it was noticeable that in the section describing the water mains respondents focussed far more often on the leakage figure than on the length of water mains replaced to date.

> *"Leaks, it is amazing how much water we are losing, that can't be right."*
>
> Bristol
>
> *"That puts my mind at ease, the bit when they say that the European Law oversees the quality of the water but as I said in my questions, does that mean the quality when it leaves the plant and before it goes through all the Victorian pipes?"*
>
> Bournemouth
>
> *"The amount of treatment works in the country, the length of pipelines, the pumping stations, it's quite fascinating."*
>
> Cardiff

Stimulus Board:" Where does my wastewater go?"

The most common reaction to this board was that very few knew anything about the wastewater treatment system, and indeed most had hardly ever thought about it.

> *"I found this very interesting because it's things you don't always think about... like the fact that the water goes down the drain and into a sewer, I didn't know that."*
>
> Eastleigh
>
> *"When you actually see in black and white what happens to your water it's quite scary… I didn't realise all the water went to the same place as your sewage… It goes back to your water supply eventually."*
>
> Sheffield

"I just find this really interesting, especially where the methane goes, it is more damaging to the climate and they should use it more as a solution rather than a problem."

Bournemouth

Stimulus Board: "At your service"

Many respondents were very surprised to read that water companies would help repair their connection to the mains. Some were appalled at the number of complaints. Many were also surprised by the number of phone calls. A few picked up on the reference to the vulnerable groups tariff, some because they thought they might be eligible, others because they considered it unfair that large families should be subsidised.

"'...Helping you with the cost of leaks', I thought you would have to pay yourself."

Bristol

"I wouldn't have thought that was bad, 8 out of 1000 and 98% of letters that's pretty good answering in 5 days."

Wrexham

"This is the bit that interests me ... Water companies are obliged to cut charges for some customers who may need to use a lot of water and then it gives you income based benefits etc for large families."

Walsall

"It isn't fair for someone on their own to pay more to subsidise those who have loads of children."

Hartlepool

Stimulus Board: "Water in everyday life"

Few respondents picked this board – perhaps because it had no written information. Those who did choose it did so because it illustrated the ubiquity of water, or the cleanliness of the beaches or because it portrayed their beliefs that wildlife had returned to many aquatic environments.

> *"You don't necessarily think about waterways and that, you just think it's the taps, you don't think about the paddling pool, the fishing trip."*

Eastleigh

> *"There is water going into the sea and evidently we're getting the clean beaches ... and virtually everyone around the country now seems to be improved to what it was 20 years ago."*

Lewes

> *"It shows like nature and otters and how important water really is, and the fishing."*

Hartlepool

4.4 Summary of Awareness and Concerns prior to Deliberation

Reviewing the data from the initial meetings it is clear that the following concerns and opinions were present prior to the deliberative stage. These, combined with the questions above (See 4.2), illustrate the starting point of the deliberation and can reasonably be extrapolated as typical of the public at large.

4.4.1 Water Supply

It was clear that the reliability, safety and cleanliness of British water is acknowledged and appreciated - although many had clear preferences as regards taste.

> *"You can take it for granted. It is on tap and it is always there."*

Bournemouth

> *"Welsh water is one of the best waters even though it may be expensive … Any foreign country you go to tap water isn't drinkable."*

Cardiff

"We're quite lucky in this area because we've got quite nice tasting water from the tap, if you go to London it just tastes minging."

Manchester

4.4.2 Leakage

Across the sample there was high awareness of the leakage from water mains. Some awareness of leakage clearly came from media reports but there were also several reports of visible leaks in each group. Visible, ground level leaks were assumed to contribute significantly to losses.

"There was [a leak] in Rickmansworth High Street and... it went on for weeks and weeks and weeks and various people reported it but it took a long, long time and a lot of water wastage to see it mended."

Watford

"You see on the TV where some lanes have a water leakage for ten days and it still hadn't been fixed and it was gushing out."

Eastleigh

"So many billion gallons are wasted across the UK ... The other week … I saw a leak in the road and it was just flowing down the drains."

Manchester

"They are suffering a breakdown of all the pipe work and are spending lots of money to replace the Victorian pipe work. That's a good thing, it's money well spent."

Great Yarmouth

"Leakages are really the only thing that we've got against the water authority."

Nottingham

"I read about the leaks in the papers, and I think, 'You idiots, why can you not even get the basics right?'"

Bournemouth

4.4.3 Hosepipe bans

Most respondents accepted that hosepipe bans have to happen occasionally. However many over-estimated the number of bans they have experienced.

> *"All we need is a fortnight of decent weather and everybody is on a hosepipe ban."*
>
> Manchester

Others complained that bans are always being threatened. And some therefore no longer lend credence to the warnings.

> *"They just keep bombarding us ... when they talk about water shortages I just let it go in one ear and out of the other and go on as normal ... we'll get over it this year as we did last year."*
>
> Eastleigh

> *"I remember reading that one of the hose-pipe bans – I think it was in Kent– didn't actually end until the middle of the floods. That just seems ridiculous to me."*
>
> Kettering

A few respondents admitted they ignore the bans.

> *"I have a Japanese garden. I just have to water my garden."*
>
> Bournemouth

Importantly few respondents complained about hosepipe bans *per se*. Rather their complaints were **typically about the imposition or threat of bans whilst water was being lost through the apparent incompetence of the water companies.** In other words whilst the reality of rainfall shortages was accepted as part of the vagaries of life, it was clear that many resented being asked to save water when it appeared that their water company was not caring adequately for this precious resource.

> *"We're annoyed because they're telling us that we can't use water, and they're just letting it go to waste."*
>
> Eastleigh

"The hosepipe ban made me really unhappy. I just don't think that there should be bans especially with all the leaking pipes."

Bournemouth

4.4.4 Meters

There was widespread awareness of the two different charging methods and the consequent anomalies. However there was also considerable wariness about changing over to a meter.

"I actually pay more water rates than my next door neighbour and I use less water. That really annoys me because it's linked to the rateable value of your house, not to the consumption, never have I been offered a water meter, it's just not fair."

Morpeth

"Water meters are cost efficient if you have a relatively small family, but then I'm sure that there does come a time when you would rather be back on the rates again."

Kettering

4.4.5 The 'Green' agenda

There was widespread awareness of environmental issues, however understanding is frequently at a fairly generalised level. High energy use and carbon emissions are considered bad and saving and recycling are considered good. Saving water is therefore understood by some to be good, simply because it is 'saving' without any thought about the finiteness or otherwise of the resource.

"Going along with climate change and saving resources, what can you do? Obviously not leave the tap running when you're brushing your teeth."

Cardiff

"Where I live there was a leak around for weeks and weeks... They have sorted it out but it has taken months... and I just think that's so weird you know when we are all trying to save it."

Leeds

4.4.6 Global Warming

The significance of global warming for the water industry was variously understood.

"If Global warming is going to happen we are going to have to think in a different way and be more careful... and start thinking more long-term... and look at the reality of what happens if we don't have enough."

Bournemouth

"This sounds stupid but isn't that better to drink and waste more water? ... If you drink more water it will be replaced by the ice that melts... so you should use more water because more iceberg is being melted so as the climate changes, it's getting warmer so you get more water so you should use more water rather than save water. If you save water you got extra water."

Cardiff

"If it's going to warm up then there's going to be less water."

Preston

"I kind of go along with the reservoir thing. Like the last few years with global warming and the reservoirs are not having as much water... you know 5 years ago the level was up here and now its drained right down to there. That kind of thing always makes me conscious."

Nottingham

4.4.7 Drinking Water Quality and Additives

The most common responses ranged from satisfied to very satisfied with the safety, reliability and cleanliness of their water. A small number, one or two per group were less satisfied. The most common complaints were the smell of chlorine or disliking the taste of the water. A much smaller number had some worries, about unspecified 'chemicals' in the water – either oestrogens, or 'chemicals added during the treatment' (including fluoride and chlorine). However there was no one who felt that the water presented an immediate threat.

The vast majority clearly assumed, without reflection, that the water was safe to drink. Amongst the minority who were worried about chemicals in the water it was clear that there were a number of vague rumours about water quality but very little, if any, clear or accurate knowledge about them.

> *"Wasn't there something about fluoride being some sort of mind suppressant?"*
>
> Cardiff

> *"What chemicals and trace minerals are added to the water before it hits the supply? I want to know what else apart from lovely clean H20 is in the water."*
>
> Manchester

> *"There's this kind of chemical in the contraceptive pill that if a bloke... drinks a glass of water from the tap... he gets man tits."*
>
> Bournemouth

> *"In Westways for instance there's a high level of cancer and they seem to think that that when we had the Chernobyl disaster the water is filtered down through peat beds down to the tiny pools and their concern is that … it might be producing a toxic situation there."*
>
> Cardiff

4.4.8 Run-off

There was some awareness of catchment and run-off problems.

> *"So much tarmac is spread out that there's not much ground for the water to soak into."*
>
> Lewes

"Water runs off roads... it's not being caught, so it's lost water. We've got rid of so many hedgerows that water is running straight off the land into the rivers and it's being lost again... it's a complicated situation."

Eastleigh

4.4.9 Regional Monopolies

Almost all respondents were aware that water companies have regional monopolies. They believe that this means that companies are not subject to the rigours of competition. A good number therefore called for competition to be introduced to improve service and drive down prices.

"If you're not happy with your water supply there is nothing you can do about it."

Cardiff

"At the end of the day you've got no choice with water, you have with gas and electric, but you haven't with water."

St Austell

"If they put it [the bill] up, we've got to go with it."

Eastleigh

"There is no competition in water, whereas electricity and gas you can … shop around and get the best prices but I don't think you can with water."

Leeds

"The privatization of the early 90s didn't all work, it created competition and for some areas that is good but for things like the Health Service, Education and water … it can't work as it is a monopoly."

Bournemouth

"I would like to see the capitalist motive introduced into the water market in the same way it was with electricity and gas. I think that will force prices down."

Walsall

There were also however many calls for re-nationalisation in order to remove the profit-motive entirely and because a good number felt it would lead to a more equitable nationwide tariff.

"Water should be nationalised... it's our most basic commodity."

Lewes

"We should go back to the good old days when the water was nationalised."

Yeovil

"I think water should be nationalised and we should all pay the same."

Manchester

4.4.10 Profits

There was a widespread belief that Water Companies make large profits, which was generally considered outrageous. There was little sense that profits were proportionate or deserved on account of service. A number of ABC1 respondents defended the value and importance of profits for private sector companies. Few respondents had any idea of actual profit figures, nor of the turnover of the companies.

"I have no problem with them making a profit."

Morpeth

"They make these massive, massive profits."

St Austell

"Why do they have to make profits? When it was nationalised they didn't make profits."

Wrexham

"That people should make profits out of water to me is entirely wrong. Water is there for everybody to have. I know we have to pay towards the upkeep of pipes and things but it shouldn't be a profit making industry."

Manchester

4.4.11 Ownership

For many foreign ownership was a bad thing. There appeared to be two reasons for this opinion. Firstly, there was a general distaste for British assets – and the attendant profits – being owned overseas and secondly a sense that foreigners might care less than native owners for the interests of their British customers.

> *"Why is our water being sold off to foreigners, why are they allowed to do that without us knowing? It is so sneaky."*

Yeovil

> *"Are the water companies British owned? They should be... It's ours. We have enough experts in this country that should be able to keep it British. It should be going to our own economy not the profits going to others."*

Bournemouth

> *"Why should the water companies be controlled and owned by foreigners?"*

Bristol

Reports of sales of water companies supported beliefs that they are bought because they are profitable at the expense of the captive customer.

> *"It's a money making business, they wouldn't have bothered investing in it unless it was worthwhile."*

Eastleigh

4.4.12 Fines

There was some awareness of poor performance and Ofwat fines. In Lewes some respondents were aware that Southern Water had been fined £20 million, but no one knew exactly where the money would come from, nor who would benefit.

> *"...but when you fine someone like that ... you're hitting the customers."*

Lewes

> *"Are the customers going to be reimbursed?"*

Lewes

"Will it come out of the profits and the dividends?"

Lewes

Feelings were expressed that fines did little to modify behaviour and were not sufficiently penal.

"My impression of Ofwat is that they have no teeth. They'll fine you and slap you on the wrist, but the legislation to back it up doesn't always seem to be in place."

Kettering

"The government is not overall in charge. You have some Ofwat character, some 10 grand a year civil servant who has got no power and is over ridden by these people. 200 million profit a year and they are getting fined 50 grand or something."

Walsall

V. Main findings and analysis: Post-deliberative

This section reports findings from Stages Two and Three during which respondents had informed themselves through the deliberative process.

It includes verbatim quotations from the Stage Three Deliberative Workshops and from the folders which respondents wrote during their self-guided deliberation in Stage Two.

5.1 Deliberative activities and outputs

Respondents were given a folder to guide their deliberative activities in the period between the two meetings. (See Appendix II). Respondents engaged enthusiastically in the deliberative process. Many made copious notes of their thoughts and activities and of the opinions of the people with whom they discussed the issues. Their activities included reflecting on increased awareness of personal water and sewerage usage and reflecting on their personal history of water usage and supply problems. Many respondents spent time on the internet investigating the water industry and its regulators and facts and figures, in particular financial reports, from their own water and sewerage supply companies. Many folders contained print-outs from internet searches and cuttings from local and national newspapers. Some respondents asked questions of water company representatives, in person or by telephone, and all had conversations about water and sewerage supply with friends, family and neighbours. A few respondents even conducted and recorded their own surveys.

Overall there were no differences of opinion that correlated directly to socio-economic grouping. Both high and low income groups wanted to see reductions in leakage and believe that water companies will need to take steps to mitigate the effects of global warming. However those who were living on low-incomes, whether or not in work or retired, tended to rank price reduction as more urgent than global warming concerns, though the latter was no less important in the long term.

As was the case initially with our respondents themselves, many of those to whom they talked had paid little or no attention to their water services.

"I asked all the chaps in the office and no one had any idea about it … everyone in the UK drinks water but no one knows anything about it."

Sheffield

"We spoke to a lot of people and they didn't seem bothered about it as long as it was there. … It's summat like Council Tax that you just have to pay and you pay it: end of subject."

Manchester

"To be honest I'm not really that interested. As long as the water runs, and I've got no floods in my actual house, I really don't care. It's so boring."

Tower Hamlets

However although they started from positions of relative ignorance, respondents and those with whom they spoke engaged enthusiastically with the topics and generated a rich and meaningful array of insight and opinion across all the research topics.

During the workshop of Stage Three many of these opinions were aired and attitudes were discussed further. The following sections outline the deliberative outcomes on the issues under consideration by topic area.

5.2 Overall satisfaction

It is important to note that although much of the feedback from the deliberation is critical there was a great deal of satisfaction with the service provided by the water and sewerage companies. However the simplicity, consistency and reliability of the services resulted in praise being very simple. Most people had little to say beyond noting their satisfaction with the reliability and safety of the current services.

"I cannot complain about the supply of good, clean, healthy drinking water delivered to my house."

Watford

"I have no complaints about the current supply and removal systems."

Bristol

"[I'm] very satisfied. I've never experienced any problems ever."

Lewes

"I am satisfied. The water is clean, fresh and of good quality compared to other regions."

Cardiff

"The service I receive at present is very good. The drinking water is palatable once the tap has been run."

Nottingham

"Out of eight constructive consultations with various people in the Yeovil area all eight were overall satisfied with Wessex Water."

Yeovil

"I think we are lucky that our bills are quite reasonable."

Eastleigh

"Speaking to colleagues at work, it was felt that water was good value."

Sheffield

"I am very satisfied with my current service – but what could I do if I wasn't? The supply of water is split up into various boards which have an absolute monopoly in their area."

Manchester

Overall, the pre-reflective position of most respondents was that they received good value for money in respect of water and sewerage services. Those who had experienced problems, or those who felt themselves to be paying excessive bills, which included the majority of our respondents in the South West, felt they were not getting good value for money.

However it was noteworthy that for a good number of respondents, the deliberative process in which they found out more about the water industry and about the financial performance of the water companies attenuated their satisfaction.

5.3 Maintenance of Assets: Leakage

The leakage of treated water from mains pipes was, by a very considerable margin, the most salient issue in the area of asset maintenance. Respondents were dismayed by the amount of leakage. Whereas a good number discovered that sub-surface leaks were larger and more problematic than visible leaks, the latter were referred to most often and were cited as evidence of poor husbandry of water.

"Leaks on the highway seem to take so long to repair and millions of gallons of water annually go to waste."

Walsall

Usually, the more people researched the leaks, the greater was their distress.

"Leakage: 109.8 litres per property per day – appalling."

Exeter

"All I hear is leaks, leaks and leaks. We are paying constantly for Thames Water's own wasteful behaviour."

Tower Hamlets

Nevertheless, some felt the problem was being addressed in a serious and sensible fashion.

"They know the pipes need replacing. They are not doing everything but on the whole they are doing a pretty good job."

Watford

"If I've seen a leak, I've always seen it fixed."

Hartlepool

"Don't expect to catch up on 100 years of neglect 'overnight' at the expense of the customers – they should catch up slowly and economically."

St Austell

After deliberation it was clear that respondents all felt that repairs should continue even where the direct costs of fixing the leaks exceeded the cost of creating alternative sources of supply. It was felt that losing water was not only wasteful of money and resources but represented poor husbandry of a precious resource. As the loss of treated water had an impact on so many other factors – such as willingness to conserve water and capacity to meet future demand – respondents were unwilling to determine the level of leakage reduction on purely economic grounds.

A few wanted Government to fund a national blitz to mend the leaks.

"Even when told that the cost of solving the leaks is so much that it isn't really cost effective [the people I talked to] still consider it to be wasteful and part of the water authority's responsibility to mend those leaks."

Nottingham

"The Government should be helping with the funding of updating the pipe works nationally as it is incredibly important that demand doesn't outstrip supply."

Lewes

Others felt that water companies were enhancing their profits instead of tackling infrastructure problems.

"I suspect that water companies could be doing much more to reduce leakage. Do the companies 'save' on this expenditure in order to enhance profits? Probably, yes."

Lewes

Further it was clear that in so far as a level of leakage was perceived to be accepted by water companies it had very strong negative consequences:

- Perceived wastage of cost of treatment

  "The water leaking into the ground has been treated and … we have paid for it. High priority should be given to upgrading this infrastructure."

  Gt Yarmouth

- Reluctance to fund improvements

  "I don't think I should pay for any improvements … until they stop wasting water from leaks."

  Walsall

- Reduced buy-in to water usage reduction

  "Nothing irritates a consumer more than conserving water oneself only to see gallons of this precious resource running down the street."

  Leeds

  "I resent all this asking us to save water … and then losing the amount of water that we are discussing [c.25%]."

  Exeter

By the same token, it was felt leakage reduction would have positive knock-on effects:

With the leakage, … it would fix a lot of the other problems if you sorted them out. If all the pipes were new there would be better quality water, you wouldn't have hosepipe bans and so on."

Bournemouth

Some believed that remuneration of shareholders should be linked to leakage reduction.

"Dividends should be capped until water wastage from old pipes is kept to a manageable and agreed level . … why should the customer pay for repairs?"

Morpeth

It was also felt, quite strongly by a good number, that the shareholders - not the customers - should bear the cost of repairs.

"We seem to be paying for repairs on top of the water rates. Why? Surely it's the responsibility of the water company. They knew what they were taking on when they took over from the nationalised industry."

Tower Hamlets

Many thought repairs to water mains beneath roads should be co-ordinated with other utilities.

"Coordination with other utilities in relation to digging up roads wherever possible."

Leeds

"When they carry out other road works, they should be looking carefully to see if there are water leaks and informing the water companies."

Hartlepool

Some felt reinstatement was inadequate or that repairs could be better organised and opportunities taken to make future repairs less inconvenient.

"After leaks are repaired the area should be left in a clean and tidy state which does not happen."

Manchester

"Could new water pipes be run under pavements therefore reducing … damage [by] cars and lorries? Also this would be less disruptive when repairs take place as pedestrians can use the pavement opposite."

Watford

5.4 Maintenance of Assets: Sewers

Sewer maintenance - like all matters pertaining to sewerage - had a much lower profile than water main maintenance. Nonetheless many assumed that the sewers, being as old as the mains, also were leaking and also needed repairs - just because they were old.

"I've been on a few calls (as a fire fighter) where there has been problems with the sewers flooding because the maintenance hasn't been done."

Wrexham

"The Victorian sewers are falling apart – the job is so big, but they have to replace the crumbling sewers. I have some sympathy with the scale of the problem."

Tower Hamlets

However sewerage problems were largely seen as a result of problems other than poor maintenance:

- Unfortunate locations such as the bottom of a row of houses
- Excessive development or heavy rain overloading sewers
- Fat and other inappropriate material introduced to sewers.

"More homes equals more demand, you need more supply – more sewerage."

Cardiff

"If you get flash floods then Bristol will overflow the sewers and it will drop into the rivers and that is not acceptable."

Bristol

"[Our responsibility is] not to put stuff down drains . . . paint, petrol you name it."

Preston

5.5 Interruptions to supply and hosepipe bans

A large number of respondents have never suffered any interruption to supply. Of those that had, acceptance was predicated on adequate warning, and if necessary provision of alternative sources.

"The supply is fine but ... if it is going off no one tells you."

St Austell

"There was suddenly no supply and it took us a while to realise that the water had been turned off for works to be carried out. It happened twice in two years. It's an information issue rather than anything else."

Great Yarmouth

"Four times in the last 18 months I've been cut off for a couple of days, and they didn't notify me until the second day. In actual fact I had to phone up to find out why."

Walsall

Hosepipe bans achieve high publicity - and, as before, are frequently linked to other issues – although most respondents accepted them as necessary from time to time.

"You can't justify hosepipe bans when millions of gallons are wasted every day."

Great Yarmouth

"Frankly I don't mind the odd hosepipe ban if we only have to put up with them every now and again."

Nottingham

5.6 Pressure

Complaints were, unsurprisingly, very location specific.

"Patcham area has very low pressure making it difficult to use water saving devices e.g. device in toilet cistern."

Lewes

"The pressure was not good enough to give more than a limp-wristed dribble … I had to install a pump to create a reasonable shower flow."

Watford

"There are constant burst water pipes and low pressure because of the focus on Canary Wharf above other parts of the local community."

Tower Hamlets

"The pressure is good."

Tower Hamlets

"Water pressure is unreliable."

Manchester

Some believed that pressure was reduced deliberately because of infrastructure weakness.

"They drop the pressure to save the pipes rather than replace them."

Bristol

5.7 Drinking Water Quality

It was clear that people care very much about the safety of water. At the moment they believe that their water is safe. If more money is required to maintain current safety levels, they believe it would be of the highest priority. However the vast majority do not believe that the safety of water needs to be improved.

Most respondents ranged from satisfied to very satisfied with the appearance and taste of water. Many respondents drank lots of tap water. A few had learned to let it stand in the fridge beforehand to remove the smell of chlorine.

"I am happy with the quality of drinking water, the pressure of the water and the taste of the water."

Morpeth

"I find the water as clear as a bell and the best water that I have ever tasted. I could keep drinking it all the time."

Hartlepool

"I have no problem at all with the quality and the taste and it looks nice."

Sheffield

"The quality and taste are excellent. I never buy bottled water and always feel safe with what I drink straight from the tap."

Eastleigh

Some did not like the taste of their local water. The most common complaint was the smell of chlorine.

"If you take a glass of cold water from the tap it is honestly like drinking water from a swimming pool."

Nottingham

"It's chlorine. Once it's filtered its okay but if its straight out of the tap, no!"

Watford

"The water could perhaps taste a little better."

Walsall

"[I'm] not particularly satisfied as the end product is not drinkable straight from the tap."

St Austell

"[I] don't like the taste and don't drink unfiltered tap water."

Watford

"I tell you if you put your tap water through a filter and look inside the filter you'll be shocked what's in your water – it's filthy, you get black bits, yellow bits, all sorts."

Preston

Most of those who had reservations about the taste were nonetheless happy with the safety of the water.

"No health worries about my water, but the water from the South West is lighter and softer and just generally of a better quality."

Kettering

However when the question of safety is raised it is the continued maintenance of current safety levels, rather than further improvement, which is considered essential.

> *"This is our first priority. It seems OK but needs constantly monitoring."*
>
> Gt Yarmouth

For some the deliberative process led to reassurance.

> *"Before I was very worried about my water quality but having done this research and phoning Dee Valley I am very reassured."*
>
> Wrexham

A small minority were concerned about the safety of the water over the long term and some had worries about chemicals in the water.

> *"I think we all know deep down that the water is not 100% safe because why do we buy filters and why do we buy bottled water?"*
>
> Sheffield

> *"We're not really sure what's in it. They have just said it's fine for you to drink, but we don't know if it's fine."*
>
> Bristol

> *"There are too many chemicals in tap water that are introduced as part of the treatment process."*
>
> Kettering

> *"Britain's drinking water is under threat from medicinal chemicals and cosmetic products being flushed down the drains of millions of households."*
>
> Cardiff

> *"How do chemicals used by the public for cleaning, e.g. bleach, toilet fresheners etc get treated so the water can be put back as drinking water?"*
>
> Manchester

> *"I read about Titanium in water from bathroom products and how there is no way these can be got out of the water supply."*
>
> Bristol

Some believed that hormones (from contraceptive pills) are present in the water and should be removed.

> *"They've shown in research that they've found the hormones in the pill in the water ... it's changing the nature of the fish that are in the rivers … so what's it doing to the human body?"*

Morpeth

> *"I'm worried about steroids and oestrogen in the water."*

Tower Hamlets

There were some reports of discolouration which were of temporary discolouration which was understood to be works related. A few were less happy because the discolouration occurred repetitively.

5.8 Drinking Water Quality: Fluoride

Very few respondents knew whether or not their water was fluoridated. Some had heard about it but had no certain information. Others had gathered some information but remained unsure as to its merits or dangers and a few had heard worrying rumours.

> *"Do we need fluoride? Should I be filtering my water? I don't know."*

Wrexham

> *"The addition of fluoride to our water is a very grey area as there are points for and against. Currently Yorkshire Water don't fluoridate our water and hope they never do as this too would raise the cost."*

Sheffield

> *"Some say it (fluoride) is good, some say it is bad. I was asking my mates at work and there was mixed feelings."*

Preston

> *"Are they still putting fluoride in the water? I've heard that it causes cancer."*

Bristol

> *"In America they have found it's got toxic and it's not good for you."*

Sheffield

Some felt they would be reassured if the analysis of tap water was made more widely available.

> *"I would be interested in an analysis of my tap water in the same way as shown on the label of a bottle of water."*
>
> Morpeth

> *"I would like to know what is in my water and what is added to the water."*
>
> Sheffield

> *"I think it would be better if they put it [information] on the bottom of the bill, what's in the water, annually."*
>
> Walsall

5.9 Water Environment

Most respondents were satisfied with the current state of the water environment. Most felt that rivers and coastal waters are considerably cleaner now than a decade or so ago. Across the sample leisure users of the aquatic environment were very positive. In Watford some complaints were made about the maintenance of rivers in the local park, but it was far from clear to respondents whether such maintenance was the responsibility of water companies.

There were positive comments from walkers, from users of reservoirs and from surfers.

> *"The reservoir at Tring for instance that's a nice place to walk."*
>
> Watford

> *"As enthusiastic walkers my wife and I enjoy greater access to water company owned land and the upgrading of pathways in their areas."*
>
> Leeds

> *"A walk around Rutland Water suggests that it is well designed for the benefit of wildlife and is well equipped for the leisure needs of the general public."*
>
> Kettering

"I am an angler and fish regularly in rivers and lakes, the condition of these are far better that 30 years ago. … Some rivers and lakes were "dead" due to pollution and not being cared for. This is when the old NRA came in and helped clean up the areas, making life for water fowl and fish better than it has ever been. Sewerage is much better as this used to be pumped into the sea. As a surfer I have been active with the SAS (Surfers against Sewerage) and now can swim in the sea without the fear of something popping up!"

Watford

"The perception is that the beaches are getting cleaner, rivers are getting cleaner, fish are coming back to rivers that haven't been there for 50 years."

Sheffield

"They've got salmon in the Mersey as far up as Didsbury."

Manchester

"I used to live in a Devon farm house and the stream used to get flooded by sewage and now there is eels in the water, its clean, it is so much better."

Exeter

"They cleaned up the Broads and have done a decent job at preventing erosion of river banks and so on."

Great Yarmouth

"The rivers are cleaner now than they have been at any time for twenty or thirty years."

Manchester

Although most comments on the water environment were positive, as illustrated above, there were some complaints about sewage pollution in the sea.

"You still see toilet paper on Western Shore, Southampton."

Eastleigh

"I am a beach fisherman and it's a bit disconcerting when you pull in a nappy on the end of your line. They are supposed to take (the sewage) out far enough so it can't come back in on the tide."

Bristol

Few respondents were sure of the division of responsibilities for water environment. Some felt the responsibility lay with council, others with central government or agencies and some with the water companies.

"I feel we have a strong responsibility for our environment - Northumberland's beautiful beaches - but I am unclear about Northumbrian Water's responsibilities in this area."

Morpeth

"Are environmental agencies responsible for rivers?... Because I think they should be."

Leeds

Coastal defences [against flooding] should be the sole responsibility of the government."

Yeovil

"The fishing license is made payable to Severn Trent Water so I assume that it is them who are responsible for keeping the water clean and free of rubbish and so on."

Nottingham

"I cycle a lot and so I see lots and lots of rivers and they are just disgusting. I don't know if that's to do with the water companies or whoever looks after the rivers."

Watford

"We didn't really see [protection of wildlife and biodiversity] as Thames Water's responsibility, there are plenty of other agencies to take this on."

Tower Hamlets

There is a responsibility through the government via the Environment Agency to take an overview and lead investment to protect our environment."

Morpeth

Some respondents felt that any pollution of the environment was not acceptable.

"In this day and age there shouldn't be any sewage in our water."

Exeter

A few felt that polluters should contribute to clean-up costs.

> *"Industry and agriculture should be making more of a contribution to the problems that they create in the environment. It seems only fair."*
>
> Bournemouth

5.10 Global Warming

For many climate change was a challenge to the whole nation, not just the water industry. There were, as before, still some reservations as to its reality and causation. Most felt that the water industry should prepare primarily for possible water shortages. A smaller number felt it needed to address its own contribution to global warming.

> *"Climate change was allegedly a contributory factor in the flooding we had this summer."*
>
> Bristol

> *"Climate change is not specifically a Yorkshire Water problem, it's everybody's problem."*
>
> Leeds

> *"The natural cycle is being upset by climate change."*
>
> Watford

> *"The seasons are a muddle... you've either got too much water or not enough of it."*
>
> Eastleigh

There were many suggestions as to what the water industry should do.

> *"They do make a huge amount of methane gas and this has a massive impact on the environment. They need to look at ways of using this as a fuel."*
>
> Kettering

> *"They should fix the leaks … and … pumps could be so old and inefficient that they are just eating the fuel."*
>
> Wrexham

"With the change in climate we need to find ways of storing water if we are going to have wet winters and dry summers. Underwater storage?"

Exeter

"Limit usage by installing meters to everybody within the next 5 years."

Sheffield

"If we reduced all the leaks, then there would be less electricity used because there would be no wastage of water …which would obviously be advantageous to global warming."

Cardiff

Some felt the industry was responding.

"I did notice that Anglian Water had policies in place to deal with climate change."

Kettering

A good number had reservations.

"You can do something about the effects but you can't control the climate so managing the climate change, we didn't think it was possible."

Morpeth

"Grand ideas like dealing with 'global warming' should be brought down to earth with an injection of common sense."

St Austell

Whilst it was acknowledged that environmental issues worried almost everyone, it was felt that many were not yet sufficiently worried to be willing to pay for action to address them.

"Everyone is concerned about the environment but not willing to pay for it."

Sheffield

5.11 Sewer Flooding

Most respondents had no experience of sewer flooding, though some had heard of it.

"I've never had any problems."

Lewes

I am satisfied for myself but I know there are problems in one particular area of Timperley and it's been ongoing for several years now. … United Utilities are spending an awful lot of money to sort the problem out."

Manchester

"We have some local overflowing of sewers and storm drains, but they've been there the next day and fixed the problem."

Nottingham

However it was easy and vivid to imagine so there was plenty of buy-in to prevention. The majority of respondents felt that expenditure to prevent sewer flooding should continue at current levels until the work was completed.

Those who had experienced sewer flooding were more emphatic about the need to continue remedial works and felt that measures to prevent it were absolutely essential.

"Being flooded by sewage is the pits. Nobody should have to put up with it in this day and age."

Kettering

"My back yard flooded because every single sewage pipe in my street blocked up and it all kind of congregated in my back yard."

Hartlepool

"I live in a new build house … we have had to have the main drain outside our house unblocked at our cost once a year. … Are the building regulations at the right standard? …. Three Valleys have not helped us in any way with this problem."

Watford

"I have had several inches of excrement outside my own back door and it wasn't dealt with very well. It took months to sort it out and I wasn't very happy."

Kettering

"There is a local park that used to have sewer flooding regularly and there used be sanitary towels all over playing fields … They have sorted it now … but it did take them an awful long time before they got around to it. God knows how much it cost!"

Sheffield

"Some of these houses that flood with a combination of storm water and sewage have been built in areas that flood regularly, so it's nature not the water board's fault."

Tower Hamlets

One respondent believed that the purpose of the Tideway Tunnel project was to tackle sewer flooding.

"I've heard that they are spending a fortune - millions - on a huge project to tunnel under the Thames to deal with sewage flooding in extreme weather conditions. So they are definitely doing something for the future."

Tower Hamlets

5.12 Odours

The majority of respondents had limited sympathy for those living near sewage works believing that they must have known about the sewage works before they decided to move there.

"Unless odour is a health risk, it is not a priority to stop odours."

Kettering

A good number were more sympathetic.

"Someone has to live near a sewage works and they should not have to face problems."

Bristol

However, those who experienced sewage smells dislike them, and those who lived close enough to be affected regularly felt very strongly indeed.

"The one at Par is really bad."

St Austell

"I'm sorry but coming from Fleetwood, would you have a barbecue in summer when it's really honking? Would you?"

Preston

"There is a terrible smell near my home, especially in the summer."

Exeter

5.13 Drainage

A good number of respondents believed that highway drains were the responsibility of water companies and many had the impression that in recent years maintenance had been cut back.

"The drains on the edge of the road are not kept clean enough to deal with the heavy rainfall that we now get and there has been a build-up of sludge."

Great Yarmouth

"I don't see anyone cleaning the drains anymore, or only in posher areas. A big wagon used to come around and clean the drains out."

Hartlepool

"They do not clean the drains like they used to do."

Manchester

Deliberation increased awareness of other drainage issues such as run-off overloading the sewers and impermeable surfaces preventing water returning to the water table.

"These days there's far too much concrete and pavement and there's lots of run-off. There's not enough grass and nowhere for the water to go into the ground. Every second house has got paving in front."

Hartlepool

"Something as simple .. [as] a brick-weave or gravel drive would improve the amount of water going into underground reservoirs and reduce drainage problems caused by run-off."

Great Yarmouth

"Stop paving of whole drives because there is no natural soak in."

Eastleigh

In Wrexham there was awareness that removal of peat had caused flooding.

"We would like to see peat conservation and replacement. Peat used to be our natural defences and they've dug all the peat up for agriculture and this creates flooding . . . and if they replaced the peat on the lands it might stop some of the flooding. Maybe from the water company profits they could research this subject better."

Wrexham

5.14 Customer Service

A large number of respondents had had almost no contact with their water companies other than paying their bills or setting up their direct debits. The deliberation prompted a good number to visit the company website and on the whole the sites were well-regarded.

"I have never had cause to use the web sites but now I know that the two sites …. South East Water and Southern Water, are excellent. They both give clear instructions for everyday things."

Lewes

Water companies' telephone services have high salience - both positive and negative.

"They answer the phone quickly, you get to speak to someone."

Exeter

"I've had no problems they've always been helpful on the phone."

Tower Hamlets

"Apparently the call centre is in Warrington and that's a good thing; without sounding controversial it's not in India or abroad."

Manchester

"I'm happy with the service except when you ring them up – then it's press button 1, talk to a robot, listen to Greensleeves, press button 2 …"

Walsall

"I think they are absolutely useless, I phoned up about a water meter and she couldn't have been more unhelpful if she tried."

Yeovil

"The customer services are very unfriendly. The sooner they can get you off the phone the better. Even when you go down there [to the office] they are snotty with you."

Hartlepool

Despite the negative comments the majority of respondents rated the customer service of their local water company as better than that of other utilities.

Responses to complaints - and time taken - are not surprisingly highly salient.

"I spent 40 minutes waiting to speak to someone to query my water bill. I have just found it impossible to get through to someone."

Bournemouth

"We've put in a complaint three or four times. The complaints are answered, and we do get a comeback on it, but they are not sorted or not sorted in a reasonable amount of time."

Wrexham

There was generally lower satisfaction in less affluent areas.

"I had to wait a fortnight when I moved into my new council house for the water to get switched on."

Hartlepool

"The service is absolute rubbish, I'd like to [rate it] below 0% if I could."

Tower Hamlets

Two respondents were able to make a direct comparison.

"I called them out and they were there within two hours. That's when I used to live is a posh area, and I think that the upper class get looked after better, and I moved to a different area and the service is now absolutely crap."

Preston

"Emergency call out times in Hartlepool are too long compared … Guildford where it is much quicker."

Hartlepool

There were some tales of heavy handed - and arbitrary – communications and credit control.

"I was £8 in arrears and received a letter threatening to cut off my supply … I know of two people who have not paid for their water for three years with no action taken."

Nottingham

I've been threatened with disconnection if I don't pay, but it was their mistake because I am on a direct debit. I seem to get pushed from 'pillar to post'."

Kettering

"[I'm] not really satisfied [with current service] as we received a letter saying we will cut your water off if you don't notify us that you live here even though we had been paying our water bill for 2 years – this was South East Water."

Lewes

Some resentment arose from mixed messages.

"We had a sewage leakage into our water system and we were told we would be entitled to compensation and then they decided we weren't because it was due to the rain and so we weren't entitled to anything."

Sheffield

Community relations initiatives were not universally welcomed.

"Last year Wessex gave £225,000 to agencies to support people with debt problems. Well, whoopy-do! Bristol Water gave money to Granny Trek so

they could raise money for the hospice. I give money to the hospice already, so that's my money they are giving away. We are paying this money every month, whatever, and they are deciding which charities to give it to. Well, I want my water fixed. Like they are giving it to kids in Cheddar to play tennis: that don't fix my water pipes."

Bristol

In every group insurance mailings were mentioned, and many respondents disliked them, sometimes more than half the group. Most simply ignored them, but a few people either felt bullied, or feared that more vulnerable people would feel bullied by the implicit threat of large bills for people without the insurance cover. There was therefore fairly widespread resentment of direct mail selling supplementary insurance, partly at what were often seen as scare tactics and partly at resentment that the water companies did not take responsibility for the pipes bringing their product into the house.

"I don't like them mailing me, to a reasonably new property, and saying you need to insure your pipes."

Morpeth

" You may say you help the elderly but in the same respect send out appallingly frightening letters in an official format threatening the terrible cost to a homeowner if "your" pipes break on "your" property. Talk about poor business practise – fear tactics!"

Watford

When given time to think about it, respondents did come up with suggestions for improvements to customer service. However it was clear that politeness, speedy remedies and clear, timely communications were far more important than technical advances or new media.

"We are looking for customer call-back options, bills by e-mail or on-line or even a text facility."

Bournemouth

"They could be much better at communicating with us and use some 21st century technology such as the e-mail or internet."

Tower Hamlets

5.15 Metering

Most respondents' attitudes to metering were initially simple:

(a) It is fair to pay for what you use – and if everyone was on a meter it would be fairer

(b) It is usually cheaper on a meter for low users (e.g. singles, couples and small families)

"Everyone should have meters and pay for what they use."

Preston

"Water meters should be compulsory in all properties and businesses."

Sheffield

"Having had a water meter fitted within the last two years has been of considerable benefit to us as pensioners."

St Austell

"I had a water meter put in and it's got so much cheaper. I feel that I am saving money as well as feeling more environmentally friendly because I'm making a real effort to save water."

Bournemouth

However, discussion and deliberation created a much more complicated picture. For a good number a meter entailed a loss of freedom:

- Freedom to use as much water as they wanted
- Freedom to chose whichever billing system they want

It was believed that meters would help to moderate use. Hence many respondents felt <u>they should be compulsory.</u> However nearly all the <u>same respondents</u> felt that they should personally <u>have the right to choose</u> whether or not to have one. A few were frank about it:

"It's the fairest system but I don't want one."

Kettering

Others found on investigation that meters did not deliver lower bills.

> *"Friends with a water meter are not happy ... They end up paying more … and are not able to do simple necessary things without worrying about costs."*

Watford

> *"My friend has just moved from Colwick to Woodthorpe and her water rates have doubled, but she was advised that she would still be better staying on the rateable value."*

Nottingham

More deliberation generated more suspicion about the motivation of water companies promoting take up of meters.

> *"I assume they are getting all these groups together because they are planning to meter us and planning to charge us more."*

Watford

> *"They want you to go on meters and one of the reasons is because it postpones any costly system expansion for them … because you'll use less water. So it's not for my benefit but for their benefit."*

Manchester

> *"I would go on a meter if I was sure I would not be overcharged."*

Walsall

Many believed that meter rates would rise significantly.

> *"It just shows you how much [people] distrust all the utilities, because everyone says 'yes, it's low now, but as soon as they get everyone on a meter . . . you can't all have a lower bill as the average for the utility company has to be the same or more."*

Bristol

> *"We feel that the water companies will adjust their [meter] charges to get the revenue that they want regardless of the use of meters."*

Walsall

"Obviously they are going to increase the price per unit so bills are going to go up an awful lot."

Manchester

Some proposed a higher tariff for usage beyond a certain amount to penalise high usage.

"I think that it would be sensible for metering to be used to monitor usage and that you should pay an additional amount – perhaps at a higher tariff – for excessive use of water."

Great Yarmouth

"Each house would have an allocated amount of water based on the [number of occupants] and if you use it carelessly you pay for it."

Preston

5.16 Planning to meet future demand for water

Many ideas were proposed to deal with anticipated water shortages. Many proposed that a National Water Grid should be established.

"In the 21st Century it should be simple to pipe water from the North of England to London and the South."

Tower Hamlets

Most people were in agreeance (sic) with a national grid for water i.e. [when the] south of England is short of water, North and Scotland could provide more water."

Yeovil

Others proposed separate grey water / run off systems for non-potable use. Some felt they should be mandatory for new-build houses, others wanted grants to be offered for installation.

"Could rain water be channeled and saved in tanks for flushing w.c.s? It could be installed in new builds."

Lewes

A few respondents suggested twin delivery channels - one potable, the other treated less expensively to be used for washing, flushing toilets and watering the garden.

5.17 Water Conservation

A few people thought it would be helpful if they had more information about how much water they currently use.

> *"[Increase] awareness of current consumption of appliances."*
>
> Eastleigh

It was felt Companies or the Government should encourage individuals more with free hippos and water butts.

> *"Maybe the government should, if people want them, provide everyone with a rain- water catcher."*
>
> Manchester

> *"There should be more government / industry funded items to reduce use of water, e.g. hippo bags."*
>
> Lewes

> *"They [water company] should give us incentives like supplying free water butts."*
>
> Walsall

But some felt bullied by water companies and resented it.

> *"We've got water butts in the garden... but there's a limit to how much we can as individuals do."*
>
> Eastleigh

> *"Why is it always us that's got to sort out their problems? A lot of people do not think that the water board are making the same effort as they expect us to."*
>
> Wrexham

A minority remained optimistically relaxed about the issue.

"I'm not sure I'm that bothered. The water is never ever going to run out. It's been there millions of years."

Bournemouth

5.18 Affordability

Most respondents, including many who resented the level of their bills, could afford to pay them.

Those respondents who considered the payment difficult were typically those on a low fixed low-income (low wage earners, benefit recipients and retired people) and those whose bills were exceptionally high (many respondents in the South West and a few elsewhere).

"As a single parent on a low income I am … struggling to pay the amount [I pay] now."

Preston

"As a pensioner [I'm] not willing to pay more for water as rises in bills have been much more than rise in pension."

Yeovil

"I would not want to pay any more for my water than what I pay now. I'm on a low income and just manage to keep my head above water."

Eastleigh

There were mixed responses to the idea of subsidies for benefit recipients. There was little support for subsidies for large families.

"I do not feel that large families with many children should have a capping put on their costs. It is a person's choice to have a large family. Some people cannot have children, do they have a special rate because there are only two of them?"

Manchester

Even amongst those in favour of helping vulnerable groups a good number were unwilling to pay for it themselves.

"We thought that when the water companies are fined that perhaps those fines could be simply redirected within the industry to help the most vulnerable. This also means that we are not subsidising those people ourselves."

Kettering

5.19 Information and Education

Almost all respondents were pleased to have learned more during the deliberation and felt more people should know more about the industry.

"More of shareholder profits should go to encouraging and educating customers about the saving or re-using water."

Nottingham

However no clear, cost-effective communication channel was proposed. Some advocated TV, either adverts or documentaries.

"Why can't it be on TV? That's really the only way to get the message across."

Great Yarmouth

Some proposed bill inserts - which others asserted they would throw in the bin without reading. There were advocates of a new water-focused newsletter - in an area which already had one. In Hartlepool articles in "Hartbeat", the council's community magazine, were proposed.
Some proposed that instead of inserts, short useful messages should be printed on the bills themselves. This proposal gathered support when aired during the deliberation.

"If they highlighted a message on the bill every month- like availability of water butts- a few bullet points then the customer might take some notice."

Bournemouth

Everywhere it was suggested that more water and sewerage, and the importance of water conservation, should be taught in schools. School visits to treatment works were proposed - and praised where they already occurred.

"This year we have done two trips to the sewage works but it was brilliant ..what they picked up on .. they went back and told their parents."

Watford

For some there was a real urgency about the need for education.

"Climate change, population increase. These are important factors. They've got to go out and educate people to save water – that's a real must. They've got to put some money into that."

Walsall

5.20 Education and Information Topics

Information considered worth imparting included:

- How water is treated and what is used
- What happens to effluent
- How the water industry affects the environment
- Exactly why water conservation was necessary
- How much water is used in daily tasks - including baths
- What can - and what should not - be introduced into sewers
- And exactly what happens when things go wrong
- Simple ways to save water in the home.

5.21 Regulatory Bodies and Stakeholders

Respondents were not, on the whole, reassured by the number of stakeholders. Overall it was felt there were too many organisations.

"I initially … saw having all these bodies looking after water as a positive, but over the week as I've thought about it more I've ended up seeing it as a negative … this looks like jobs for the boys, fifteen different government departments all doing the same thing."

Manchester

"Too many quangos! Where does the money come to pay them and build their huge important buildings? Out of my pocket! Less quangos, more cash for repairing the pipes and sewers!!"

Morpeth

"Why are there eight monitoring bodies responsible for water? Surely there must be an overlap of responsibility amongst these authorities. A 50% reduction in these bodies would surely bring about substantial savings which could then be invested into improving the system."

Wrexham

"Why is it necessary to have 7 different 'water monitors'? These are also paid out of my taxes so my actual water bill is considerably higher to incorporate paying for someone to oversee."

St Austell

"How about DEFRA, Drinking Water Inspectorate and the Environment Agency merging into a water control authority?"

Leeds

CC Water's independence and credibility was questioned.

"I spent a bit of time looking at CC Water board. I got very angry towards the end of it – it's all retired civil servants, ex water people, electricity people, bank people, insurance people. They're all on million pound pensions and £5k sinecures for serving on these committees. And these are the people who're supposed to represent us. And they're shareholders as well. I don't think they do represent us. … CC Water's supposed to be for the private person. I couldn't find any private people involved."

Walsall

"Ofwat approves these massive increases year after year, and the Consumer Council for Water seems powerless to make its 'voice' heard."

Exeter

One respondent had made a complaint about being cut off for three days without warning, without acknowledgement and without recompense so he had made a complaint, but it was not clear from his report to whom he had complained. It was clear that he was not satisfied with the outcome, and as a result he thought poorly of all the official bodies to do with the water industry.

> *"I took [my complaint] to the ombudsman for the water and they were as much use as a snowflake in summer. So they're a quango. They're a waste of time as well."*
>
> Morpeth

Some trusted Ofwat but many felt that Ofwat was neither truly independent nor tough enough on the Water Companies.

> *I'm confident enough in Ofwat to know that there is not exorbitant profit taking."*
>
> Bristol

> *"Ofwat do a 'fair' job – they can only work with the powers that they are given and if we didn't have them the cost of water would be sky high."*
>
> Great Yarmouth

> *"Ofwat should take the side of the customer instead of bowing to the company."*
>
> St Austell

> *"Has Ofwat got any real power when it needs it?"*
>
> Morpeth

> *"I feel 'controlled' by Thames Water. Ofwat are not sufficiently independent in overseeing what they do."*
>
> Tower Hamlets

> *"Ofwat have too broad a base and not enough teeth, and allow too many get-out clauses for the water companies, particularly over their management of raw sewage."*
>
> Great Yarmouth

> *"Ofwat is supposed to be [controlling] but they're not."*
>
> Walsall

Ofwat "aim to ensure that the level of return allowed on the capital employed is no more than necessary" How vague is that? Some companies give return of as low as 4.8% yet still continue to operate. SWW's is 6.1% this year. If SWW dropped its return to 4.8% this would equate to £28m into customers' pockets instead of shareholders."

Exeter

Many were puzzled and suspicious about what they did find out about dealings between water companies and Ofwat.

"I found something out for 2006 it says here the company has agreed to an investment plan with the regulator and then curiously they spend 350 million less on it than they planned. And that is the equivalent of 10% off every customer's bill. And so where does that 10% end up? I couldn't find that out."

Watford

5.22 Fines

Many respondents were baffled by the fining system and there was little sense that it was a meaningful chastisement for shareholders, nor that it produced an effective remedy for customers.

"Thames Water have been fined 12 million pounds but we don't know where that money has come from or whether the shareholders have even been affected by it."

Tower Hamlets

"I don't really understand how the fining system works. For example, when Thames Water were fined for all those leaks, does it go straight the Treasury, and how is taking 22 million from Thames Water going to help us, the consumer?"

Kettering

"When the water companies are fined, I can find no trace of where those fines actually end up."

Tower Hamlets

"Southern Water have been on the news because they have been fined £20 million. Basically Ofwat said that they had manipulated performance figures and therefore could overcharge their customers resulting in this £25 million fine but surely they should be made to credit all those customers as well! If they have been made to pay a fine that means they are going to have to put bills up to cover the £25 million."

Sheffield

It seemed that the fines did not assure respondents that the industry was well run, or well regulated.

"Very little has been done by Severn Trent to improve their pollution problems and they just keep getting fined which they no doubt add to the consumers' bill."

Nottingham

5.23 Willingness to Pay and Profits

Towards the end of the deliberation respondents were asked if they were willing to pay more to fund improvements to their service - and if so, how much and for what. Attitudes were strongly influenced by research into water company finances. Respondents could see no justification for bill increases when they discovered the rises in salaries and dividends. Stories about profits resonated far beyond the geographical boundaries of the companies' areas and there was a great deal of suspicion.

In many cases discussions about willingness to pay for improvements or maintenance of standards were moved decisively towards discussions of profit levels of water companies and proposals that a higher percentage of profits should be used to fund the companies requirements.

It became clear from discussions and from the deliberative folders that a fair number of respondents had used their time during deliberation to research companies' financial reports.

"I am conscious that the profits are very large and you think they could do the improvements out of that."

Sheffield

"When you read that Severn Trent have made a 1.1 billion pound profit and given 580 million to shareholders I'm gutted."

Bournemouth

"The Pennon group AGM statement 2007 included: 'Operating profit increased by just over 14%' – Great, my bill went up 12.5% to pay for that. Management salaries have risen 26.7%. Figures show a steady increase in operating profit over the last five years. Do the shareholders know that our bills have increased proportionally to pay for that? … I do not want to fund the 7.8% increase in return for their shareholders."

Exeter

"Directors pay increased between 50 and 200% when water companies were privatised. This is for doing the same job as before when the companies were under state control."

Watford

"Before tax, Wessex Water profits amounted to £102 million for 2006-7. Prices are allowed to rise 5% above inflation for the next five years… there is some concern for low income families."

Yeovil

"I worked out that the increase in the directors' salaries had been 55% over 5 years and that the dividends had gone up by 73%. Ofwat have had to step in to curb their profits and to improve customer services and yet they (Severn Trent) are still at the bottom of all relevant league tables, especially pollution."

Nottingham

"The more I have investigated the water/sewerage companies the more I feel I am being fooled and taken for a ride."

Bristol

"People did not want any increases to go to pay awards to the managers running the companies."

Yeovil

"Executive salaries have increased by far more than the inflation rate since privatisation so they are simply lining their own pockets with unnecessary increases in the water rates that hit the general public. In 2001 the executive salaries were £1,943,500 whereas in 2006/7 they were £3,506,100 an

increase of 55% whereas inflation has been running at 2-3% per year so approximately 15%."

Nottingham

If I thought extra money would be used to improve the infrastructure and not [be] used in paying higher dividends … I think an increase of inflation + 2.5% would be fair. However I talked to 15 people who felt the water industry could not be trusted."

Walsall

Overall there was strong resistance to any significant increase in prices. A good number felt prices actually ought to fall.

"With 'Clean Sweep' all but completed … one should look for a decrease in the cost of water charges."

St Austell

"If leakage were reduced, Yorkshire Water should be able to reduce bills by 30%."

Leeds

"If anything [there should be] a reduction … bills have gone up in excess of 20% in 2 years."

Sheffield

However all expected, and accepted, though a good number with reluctance, that prices would increase with inflation. Many did not want prices to rise at all, and the majority were not willing to pay any more than an inflation-linked increase for a variety of reasons.

"Ongoing investments must be paid for without increases in bills. Any increased payments will, if part of a general bill, be used to boost water plc's profits."

Sheffield

"I am reluctant to offer to pay for improvements that are required due to decades of under-investment and at a time when my costs have increased approx. 300% over the last five years."

Lewes

I don't think that customers should pay for the improvement in the infrastructure as the money written off by the Thatcher Government in 1989 (approx £6.6 billion) a reduction of 22% off the sale price of the water companies when they were sold … could have paid for the improvements to the infrastructure. … p.s. our water bill increased by 38.6% from 2000 to 2007."

Watford

"I would not be willing to pay many extra and feel very strongly on this issue. Improvements should be financed out of existing payments as with any other business."

Nottingham

"Are you prepared to pay extra for investment?' No, am I hell as like! There are shareholders and they are being paid and they should invest in their own industry."

Bristol

Some were not convinced that there was any necessity to pay any more.

"There's too much profit and we're paying for it. They're not doing nowt to make the services any better. Well they might be, but we don't see those changes and they don't inform us of those changes. They should do, so we can look at it and say 'Yeah – you've done that.'"

Hartlepool

Some were willing to pay more, almost all for environmental reasons and to ensure future supply.

"I would be willing to pay a little more to either help others or to help the environment and to help future generations."

Hartlepool

However such willingness came with caveats:

- They wanted assurances and evidence that the extra payments would go directly towards the improvements, not towards dividends or salaries

- Many were only willing to contribute if an equivalent contribution was made from shareholders profits - and 'fat cats' salaries
- For a few it was dependent on a more equitable charging system.

  "I would only be prepared to pay more if I felt that people were actually paying for what they use. With me on a meter and other just paying rates, I feel that I'm paying too much and it's not fair."

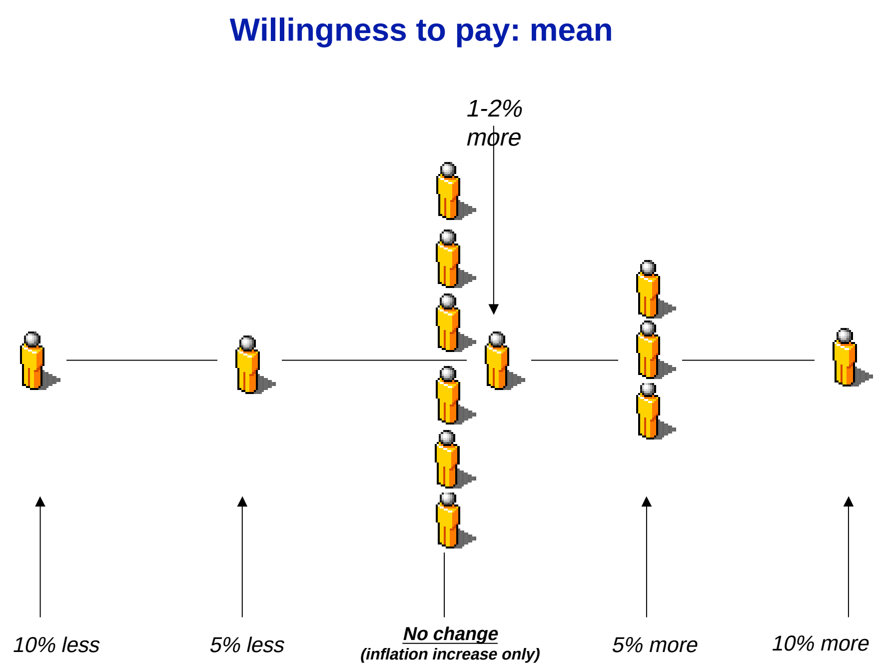
  Bournemouth

Those who were willing to pay more for these reasons, felt that an increase of about 2% would be acceptable. Some also hoped for a commensurate decrease in bills once the necessary works had been completed although the majority felt that bills were unlikely ever to come down again. Respondents were asked to express their willingness to pay by means of spatial mapping. Below is an illustration of the mean distribution of willingness to pay as illustrated by the spatial mapping exercise.

Data for each of the separate geographical areas is included in the regional sections of the report.

In so far as they were willing to pay for improvements at all, respondents were willing to pay for improvements of which they personally might not be direct beneficiaries provided that those improvements were ones which they could imagine benefiting from themselves in different circumstances. As noted elsewhere respondents were willing to pay for improvements to prevent sewer flooding because it was felt that it was a problem that was not caused by, nor preventable by, the householder who suffered it. There was less willingness to pay for reducing sewage treatment work odours because it was believed that the householder could, or should, have found out about the potential problem before buying their house or moving to the area.

Fig. 5 Mean willingness to pay across sample



5.24 Investment areas

At the end of the deliberation respondents were asked about their priorities for investment. They were asked to express their priorities by distributing tokens amongst a range of investment areas. They were also invited to nominate further areas, should they wish.

The initial set of investment areas, which was determined by our clients and which was presented at all the workshops was as follows:

- Maintaining water pipes, repairing leaks and maintaining treatment works and reservoirs [*Designated on charts as* Water pipes / Wp]
- Ensuring adequate water supply and meeting new demand [Supply / Su]
- Ensuring the safety of tap water [Safety / Sa]
- Managing the appearance, taste and smell of tap water [Taste / Ta]
- Maintaining the pressure of water in your taps and reducing interruptions to supply [Pressure / Pr]
- Improving handling of customers' accounts, queries, complaints and customers with special needs [Accounts / Ac]
- Maintaining sewers and sewage treatment works, ensuring the network can meet new demands [Sewers / Se]
- Controlling smells from sewage works [Smells / Sm]
- Further reducing the risk of homes and gardens being flooded with sewage [Flooding / Fl]
- Improving the environment impacted by the Water Industry, such as rivers, wetlands and coastal waters [Environment / En].

The most common supplementary proposition for investment was Education and Information. In some workshops there were a few other proposals such as utilising the water supply system to generate hydro-electric power. The details are in the regional sections of the report.

Each respondent was given 50 tokens, each token thus representing 2% of the sum available for investment (regardless of its absolute size). They then allocated their tokens to the designated investment areas in the proportions they desired.

5.25 Influences on Consumer Choices

As noted elsewhere, events which had an immediate impact on respondents' lives had a strong impact on their choices. For example, respondents who experienced sewage treatment plant odours considered improvements to sewage treatment plants more important than those who rarely or never experienced odours.

The level of bill relative to personal income affected willingness to pay overall. However beyond these two overarching variables, viz. personal experience and level of bill relative to income, there were no other factors which consistently influenced respondents in the same fashion and to the same degree in respect of the choice of investment area. Some respondents were more concerned about the environment than others, some believed the sewers need maintenance, others that they needed upgrading, some were keen to see more meters installed and some were not, and so on.

Overall it was, however, true that the greater the sense of resentment at profit levels and leakage rate, the greater the unwillingness to contribute to improvements and maintenance.

5.26 Investment Area Choices

The outcomes of the token allocation exercise are laid out in the graphs below in percentage terms. It is important to note that these figures represent the relative value placed on the areas. They are not absolute investment figures nor are they informed by a knowledge of the actual comparative costs of, for example, repairing a water main, controlling odours or improving customer service.

The charts show the percentage of the total investment allocated to each investment area at each workshop.

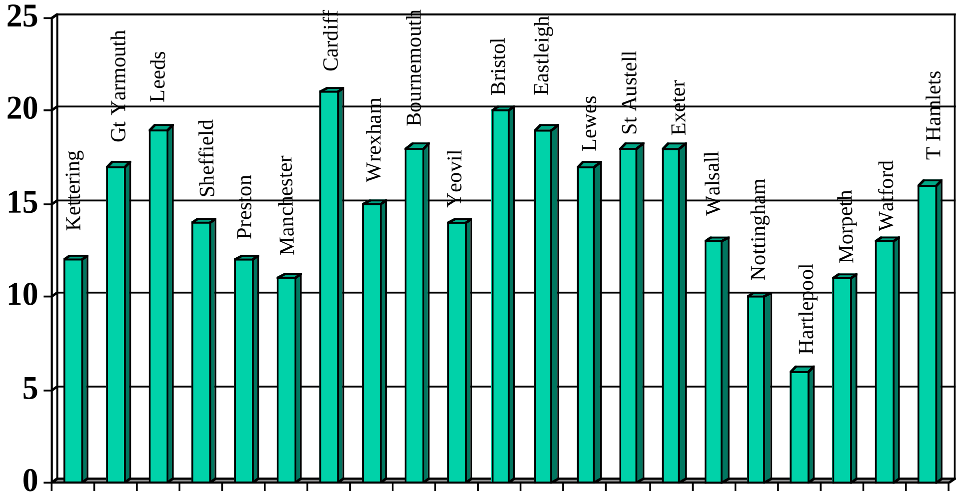


Fig. 6: Investment priority ascribed to maintaining water pipesand repairing leaks; and maintaining treatment works and reservoirs %

Range: 6 - 21%

CORR WILLBOURN RESEARCH & DEVELOPMENT

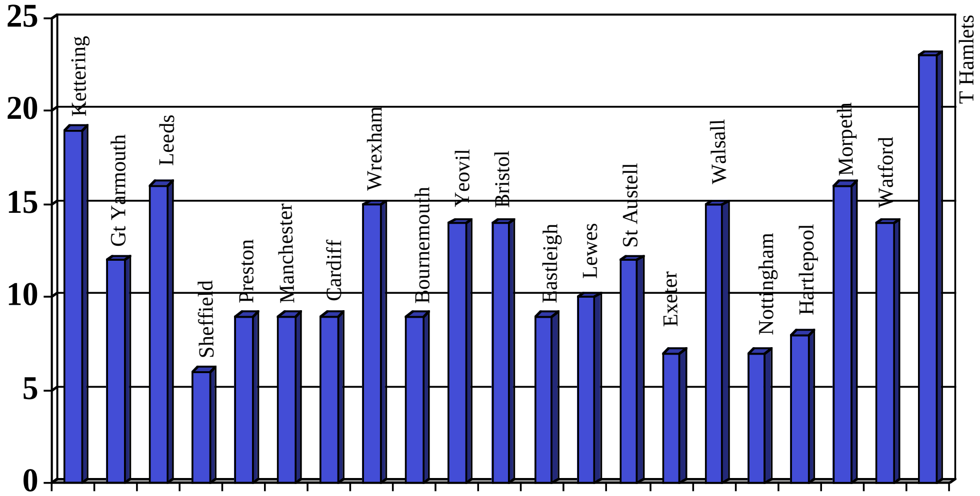


Fig. 7: Investment priority ascribed to ensuring adequate water supply and meeting new demand %

Range: 6 - 23%

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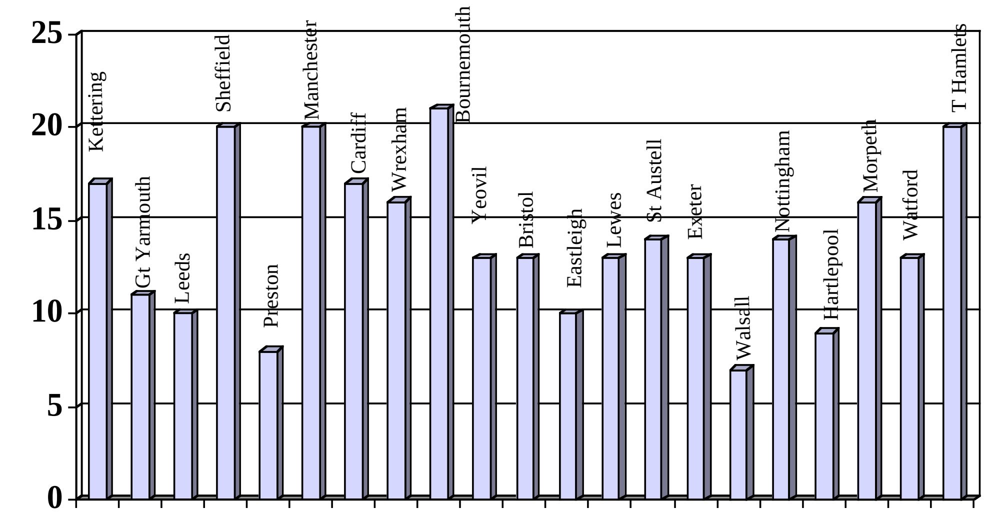

Fig. 8: Investment priority ascribed to ensuring the safety of tap water %

Range: 7 - 21%

CORR WILLBOURN RESEARCH & DEVELOPMENT

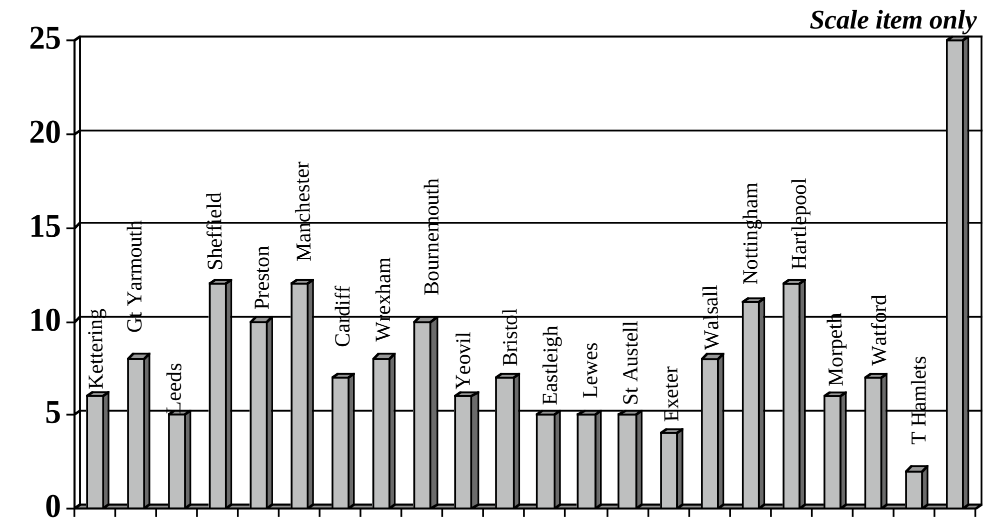

Fig. 9: Investment priority ascribed to managing the appearance, taste and smell of tap water %

Range: 2 - 12%

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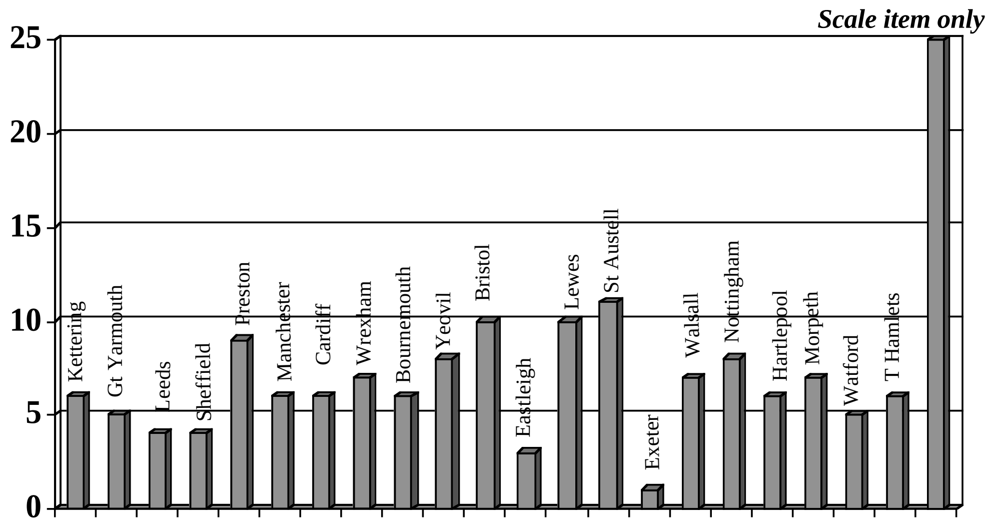


Fig. 10: Investment priority ascribed to maintaining the pressure of water in taps and reducing interruptions to supply %

Range: 1 - 11%

CORR WILLBOURN RESEARCH & DEVELOPMENT

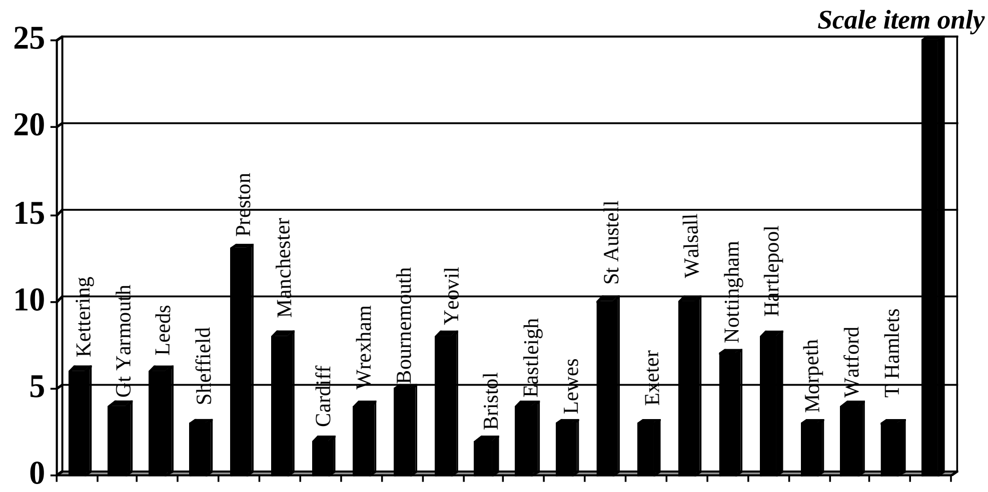


Fig. 11: Investment priority ascribed to improving handling of customer's accounts, queries, complaints and customers with special needs %

Range: 2 - 13%

CORR WILLBOURN RESEARCH & DEVELOPMENT

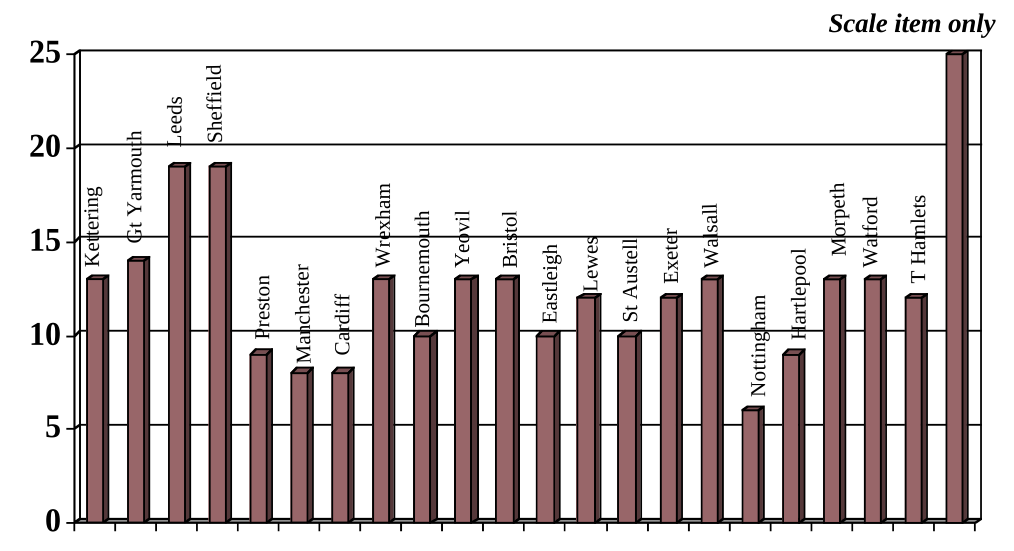


Fig. 12: Investment priority ascribed to maintaining sewers and sewage treatment works, ensuring the network can meet new demands %

Range: 6 - 19%

CORR WILLBOURN RESEARCH & DEVELOPMENT

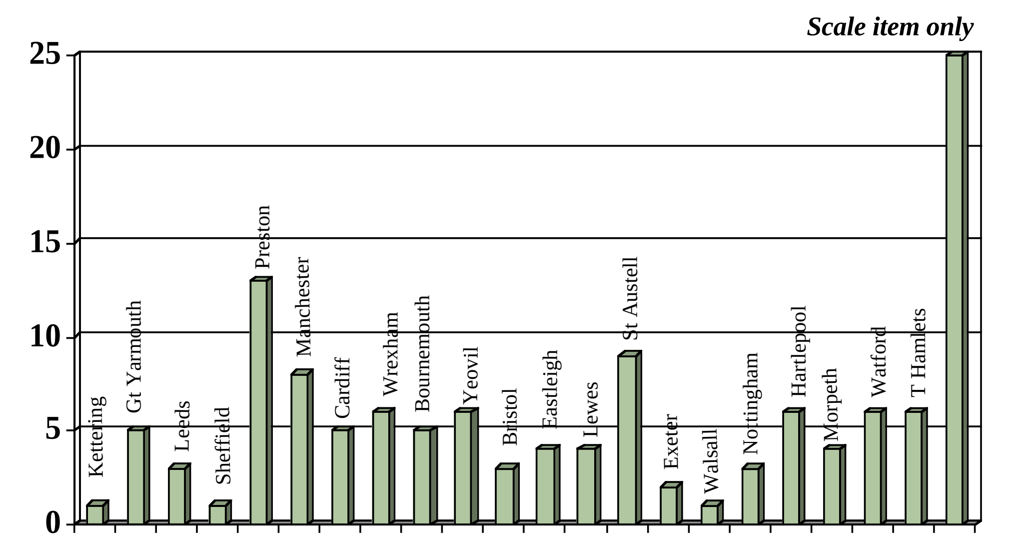


Fig. 13: Investment priority ascribed to controlling smells from sewage works %

Range: 1 - 13%

CORR WILLBOURN RESEARCH & DEVELOPMENT

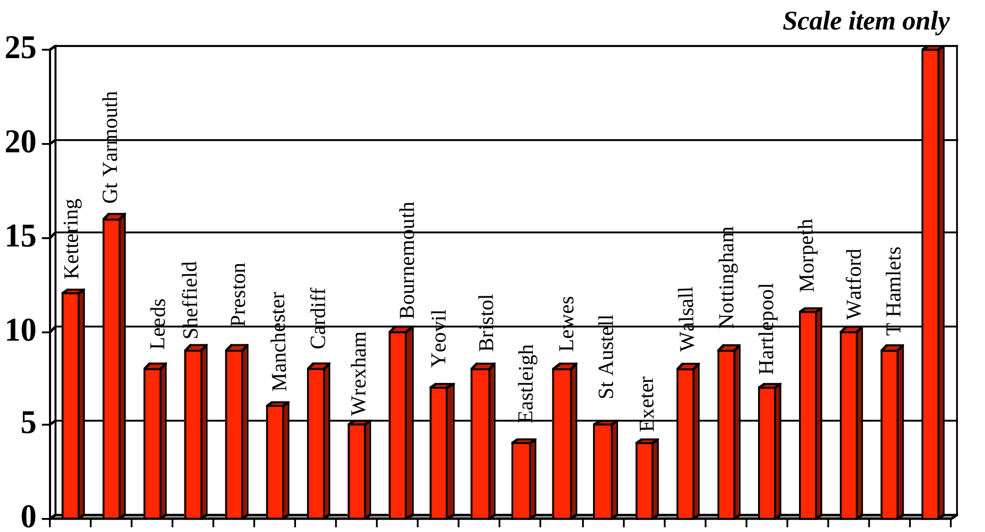


Fig. 14: Investment priority ascribed to further reducing the risk of homes and gardens being flooded with sewage %

Range: 4 - 16%

CORR WILLBOURN RESEARCH & DEVELOPMENT

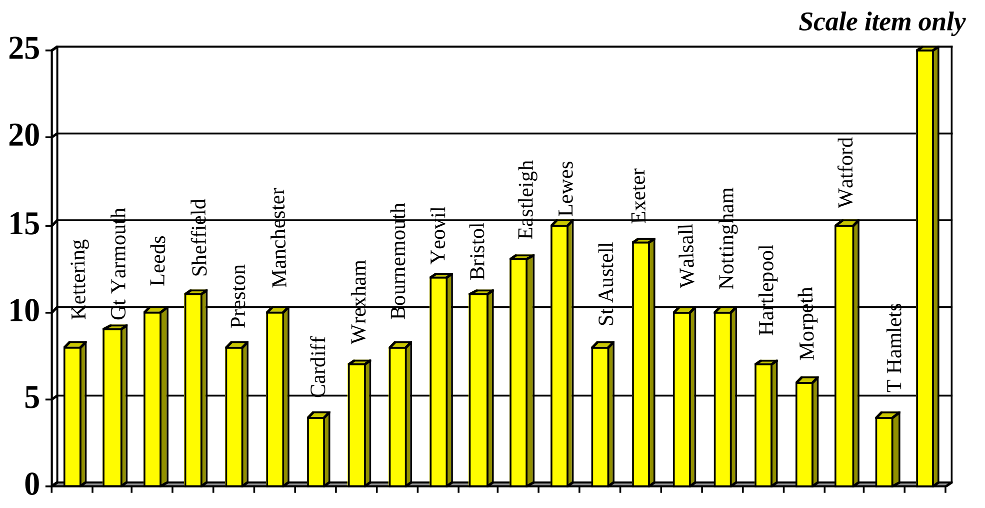


Fig. 15: Investment priority ascribed to improving the environment impacted by the Water Industry, such as rivers, wetlands and coastal waters %

Range: 4 - 15%

CORR WILLBOURN RESEARCH & DEVELOPMENT

5.27 Trade Offs and Priorities for Timing

One of the research objectives was to explore to what extent peoples' priorities would change if bills had to change by varying amounts to pay for improvements and maintenance, and what were their priorities for the timing of improvements and maintenance.

The great majority of respondents indicated that the priority of timing should be proportionate to the proportions of investment which they allocated to each investment area; in other words the larger the sum allocated, the greater the priority.

However when respondents were asked to consider further there were several phenomena which rendered this exploration problematic:

- Overall willingness to pay more was mostly restricted to two or three per cent, so there was perceived to be little room to manoeuvre to generate meaningful differentiation
- Few respondents accepted that *their* payments were the limiting factor - they felt rather that water companies should contribute greater proportions of their profits to improve their offering or renew the infrastructure where necessary
- Many felt that the necessary improvements were non-negotiable - it was the companies' duty to carry them out as speedily as was practical
- For many, comparative evaluation was difficult because many areas of potential 'improvements' were at present at more than acceptable levels.

The one area of improvement that was given a clear priority was the repair of leaks. These repairs would, it was felt, also have a beneficial effect on other areas such as water resource management.

Respondents typically felt that infrastructure maintenance and improvement should continue until leakage and other problems had been remedied to acceptable levels, although there was no unique, clear consensus on what an acceptable level would be. They were unable to go into further detail of trading off the various areas.

Individuals did express specific trade-off preferences when they personally suffered from one of the issues under discussion. For example, in Preston those respondents who lived near Fleetwood prioritized reducing odour from sewage treatment works. Even if it cost them more, or slowed down other goals, such as leakage reduction, they wanted the problem solved.

However the single most important priority for the majority, because of its 'knock on' effect, was to reduce leakage.

Some demoted 'environmental improvements' on the grounds that they were costly, they were not essential for delivery of services and if the water industry did not address them some other agency would deal with them. A few voices spoke strongly in favour of mitigating or preparing for the effects of climate change, but it was clear that they were not singling out the water industry as the required leader in the field, but simply that the industry, along with the rest of society, needed to address the problem urgently.

VI. Regional and Local Findings

6.1 Area Details

In each region, four groups were conducted across two different locations. They were then reconvened in pairs, into two workshops.

The regions are listed below, along with Water Companies of which respondents were customers and (in brackets) the town or city in which the research events were convened.

Wales

Dwr Cymru (Cardiff) and Dee Valley Water (Wrexham)

South West

South West Water (Exeter and St Austell)

Wessex

Wessex Water (Yeovil), Bristol Water (Bristol) and Bournemouth and West Hants Water (Bournemouth)

Southern

Southern Water (Eastleigh and Lewes) and South East Water (Lewes)

Thames

Thames Water (Tower Hamlets) and Three Valleys Water (Watford)

Midlands

Severn Trent Water (Nottingham) and South Staffordshire Water (Walsall)

Eastern

Anglian Water (Kettering) and Essex and Suffolk Water (Great Yarmouth)

North West

United Utilities (Preston and Manchester)

Yorkshire

Yorkshire Water (Leeds and Sheffield)

Northumbria

Northumbrian Water (Morpeth) and Hartlepool Water (Hartlepool)

6.2 Regional Findings Overview

Across the sample, in both England and Wales, on all the substantive issues there was remarkable uniformity. Hence for key issues in each region the findings in the main body of the report apply.

The regional findings represent the range of attitudes and degree of satisfaction of respondents in each workshop. This is qualitative not quantitative research and the findings are not statistically significant and therefore cannot be extrapolated across the whole of their respective regions.

Section 5.26 above allows direct comparison of desired priorities for water companies' investment across the different regions of the sample.

At some workshops specific local issues were mentioned – for example in Tower Hamlets there was a sense that the offices of Canary Wharf were better catered for than the local residents, and in Preston respondents who lived in the Fleetwood area were particularly exercised about sewage treatment works odours – however these comments related to local issues and cannot be extrapolated to apply to the entire region.

In the sections below are the detailed charts relating to the line up and investment area allocation exercises.

6.3 Key to Charts in Regional Findings

<u>Line-Ups: Satisfaction with current service provision</u>

At each workshop respondents were asked "How satisfied are you with your water and sewerage companies' performance in the current period?" Respondents expressed their views on the following topics:

- Quality of drinking water
- Sewer flooding
- Maintenance of assets, including pipes and sewers
- The water environment, including water levels in rivers, pollution issues and the leisure use of water
- Customer service
- Reliability of water supply, including hosepipe restrictions and supply interruptions.

They were asked to express their opinions physically by placing themselves on a line from one end of the room representing 0% satisfaction to the other, representing 100% satisfaction. The resultant positions are illustrated below by the charts with the person icons.

The right-hand side of the illustration (one end of the room) indicates complete satisfaction, the left-hand side (the other end of the room) total dissatisfaction. Some illustrative quotations are also included.

NOTES

(1) For some topics, some respondents did not feel qualified to express an opinion and therefore stood to the side of the room and did not take part in the line-ups. It is for this reason that some charts have fewer persons involved than others at the same workshop.

(2) Because of the variables of the energy and dynamics of the groups, and in some cases when the issues had already been covered in earlier discussion, line-ups were not convened for every topic in every workshop.

(3) The location of each figure on the chart marks where a person stood demonstrating their own personal expression of satisfaction with their own water and sewerage companies' performance in the relevant area. The topics about which our respondents expressed their degree of satisfaction (Quality of Drinking Water etc, above) were chosen and named by the committee which commissioned this research.

Pie Charts: Consumers' Priorities for future investment

At the end of the deliberation respondents were asked about their priorities for investment. They were asked to express their priorities by distributing tokens amongst a range of investment areas. They were also invited to nominate further areas, should they wish.

Each respondent was given 50 tokens, each token thus representing 2% of the sum available for investment (regardless of its absolute size). They then allocated their tokens to the designated investment areas in the proportions they desired. The outcomes are laid out in the pie-charts below.

There is a chart for each location and an aggregated chart for each region.

'N' is the sample size. Thus for each chart 'n' is the total number of persons who took part in the exercise.

It is important to note that these figures represent the relative value placed on the areas. They are not absolute investment figures nor are they informed by

knowledge of the actual comparative costs of, for example, repairing a water main, controlling odours or improving customer service.
The initial set of investment areas, which was determined by our clients and which was presented at all the workshops was as follows:

- Maintaining water pipes, repairing leaks and maintaining treatment works and reservoirs [*Designated on charts as* Water pipes / Wp]
- Ensuring adequate water supply and meeting new demand [Supply / Su]
- Ensuring the safety of tap water [Safety / Sa]
- Managing the appearance, taste and smell of tap water [Taste / Ta]
- Maintaining the pressure of water in your taps and reducing interruptions to supply [Pressure / Pr]
- Improving handling of customers' accounts, queries, complaints and customers with special needs [Accounts / Ac]
- Maintaining sewers and sewage treatment works, ensuring the network can meet new demands [Sewers / Se]
- Controlling smells from sewage works [Smells / Sm]
- Further reducing the risk of homes and gardens being flooded with sewage [Flooding / Fl]
- Improving the environment impacted by the Water Industry, such as rivers, wetlands and coastal waters [Environment / En].

The most common supplementary proposition for investment was Education and Information. In some workshops there were a few other proposals such as utilising the water supply system to generate hydro-electric power.

<u>Bar Charts: Percentage point difference</u>

As noted above, there is a pie-chart for each location and an aggregated pie-chart for each region. There is also a bar chart indicating the percentage point difference of desired investment for each investment area. This indicates the degree of consensus across the different locations within each region. A small percentage point difference (and hence small bars) indicates more agreement. A large percentage point difference (longer bars) indicates that respondents in the two locations differed widely in their allocation of investment.

6.4 Wales

There was consistency across the whole sample and no significant differences between England and Wales on all the key topics. The individual charts presented illustrate local views but are not necessarily representative of views across the entire country. The overall sample size is too small to extrapolate numerical data with statistical significance from these respondents across the whole of Wales. A summary of findings is presented in this section, but for further analysis on each topic see the executive summary, section I, and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow. For further information about how the charts were produced and key to labelling see section 6.3 above.

In Wales research was conducted in Cardiff and Wrexham, thus covering both Dwr Cymru and Dee Valley Water. The respondents in Cardiff were from socio-economic groups ABC1 and respondents came from Central Cardiff (e.g. Llandaff, Roath, and Caerphilly). The respondents in Wrexham were from socio-economic groups C2DE and were drawn from central Wrexham and outlying areas: (e.g. Johnstown, Overton-on-Dee and Erbistock).

Findings in Wales were similar to those in England. When water and sewerage services were mentioned the most common initial responses were firstly, that the benefits are usually taken for granted, and secondly references to leakage in the infrastructure. Overall respondents felt they currently had reasonable or good value for money but were concerned lest prices should rise further. Customers' two main priorities were that companies (i) reduce leakage and (ii) ensure that bills are, or remain, affordable.

After leakage and affordability, the next most important priorities were ensuring that the drinking water remains safe to drink and ensuring there are adequate supplies for the future.

Overall there were no differences of opinion that correlated directly to socio-economic grouping. However those who were living on low-incomes, whether or not in work or retired, tended to consider controlling prices considerably more important than any other issues.

Some respondents knew that Dwr Cymru, although profit-making, does not have shareholders like English water companies and is run for the benefit of its customers. All respondents were informed that Dwr Cymru has no shareholders and is a not-for-profit company and during the deliberative period many visited the Dwr Cymru website. However confusion about the precise structure of the business persisted.

A few in Cardiff had noted the dividend discount on their bills. The Dwr Cymru form of ownership was, on the whole, felt to be a good thing, but it did not eliminate criticism from those who felt their bills were too high, or that leakage rates were too high.

There was a certain amount of nationalism and pride in Welsh Water, however there was some feeling that customers in Wales are being exploited as they believed that Birmingham and other cities in England are supplied with water from Wales for which they pay less than Welsh consumers pay for their water. This gave rise to two questions:

- Shouldn't Dwr Cymru and Dee Valley Water get more for providing water to the English?
- How come the water we export is cheaper for the end users in England than it is for us?

There was a relatively high level of concern for the environment, particularly in Wrexham, but several respondents also commented that the cleanlinees of the rivers in the country was much improved.

> *"The River Taff particularly, it is brilliant. … You can see the bottom going over Canton Bridge and there are fish in there as well."*
>
> Cardiff

As elsewhere, there were many customers satisfied with current service.

> *"All my friends, and all of those I have spoken to and myself, have no complaints about our local water company other than the cost."*
>
> Wrexham

During the deliberative process respondents found out more about their water and sewerage providers. Some respondents were reassured by the information they discovered.

"Before I was very worried about my water quality but having done this research and phoning Dee Valley I am very reassured."

Wrexham

For others, more information about leakage reinforced their concerns.

"It was really shocking … the amount of water that we waste. The Consumer Council for Wales said on average it was 175.3 litres of leakage per property per day and that the Welsh Water loses a leakage [of] enough to fill about 90 Olympic swimming pools everyday."*

Cardiff

* Sic: we believe this refers to a report from the Welsh Consumer Council dated 18/07/2005 and published on their website.

Whilst many respondents did find out more, verifiable information during their deliberation, some misconceptions did persist.

"If the water is cloudy it's where it's over-fluorided."

Wrexham

We note also that the ownership structure of Welsh Water was admired by some respondents in England.

Fig. 16: Satisfaction with Drinking Water Quality Cardiff

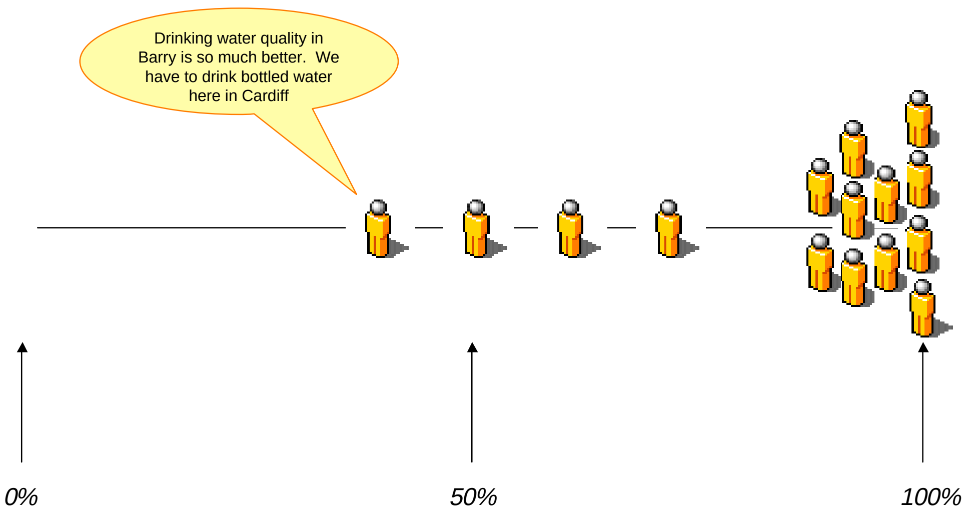
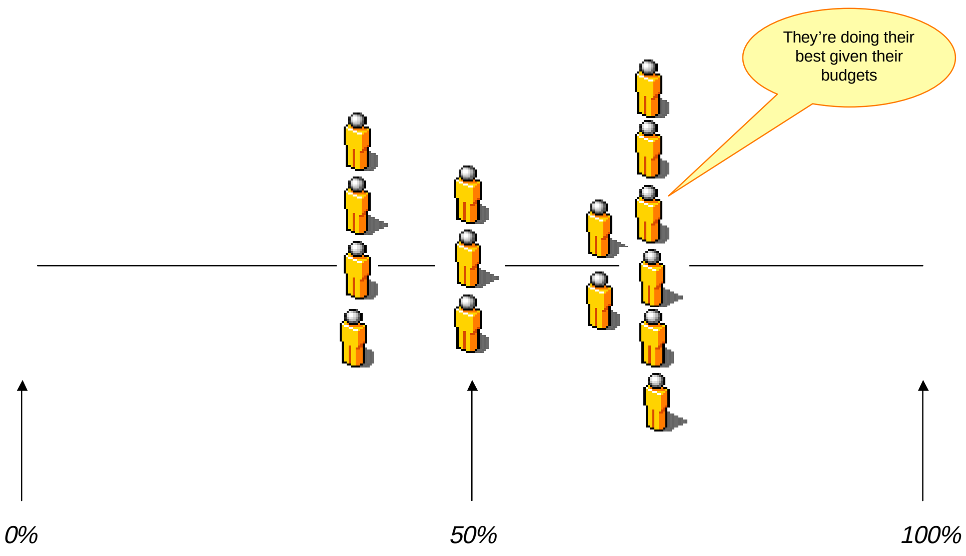


Fig. 17: Satisfaction with Maintenance of Assets Cardiff



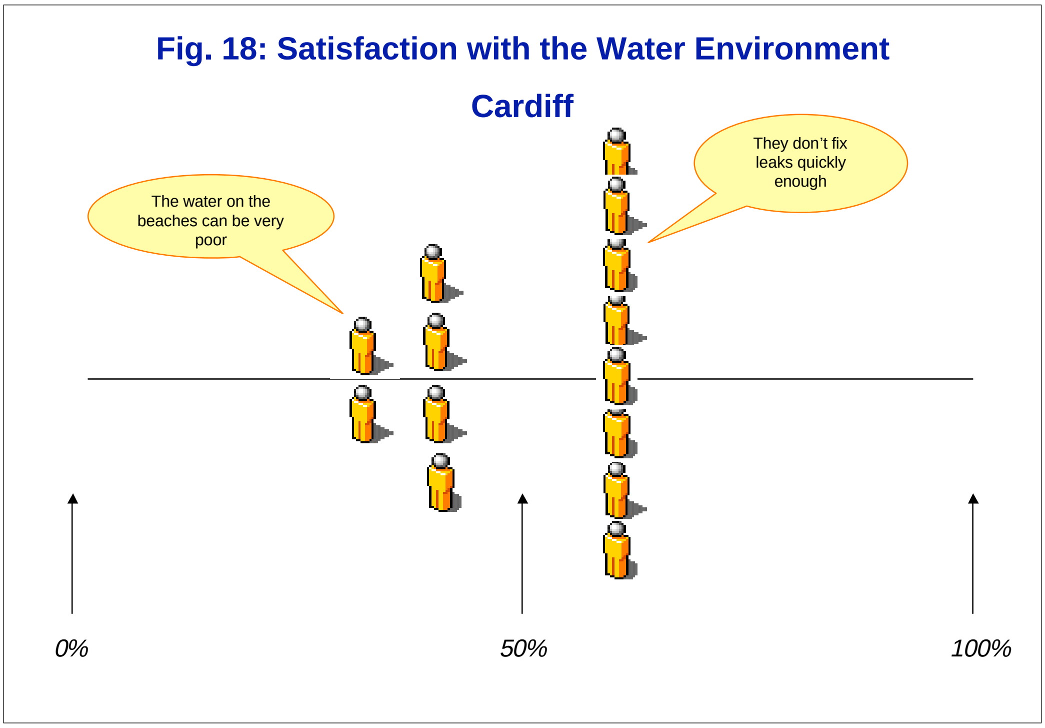


Fig. 18: Satisfaction with the Water Environment
Cardiff
The water on the beaches can be very poor
They don't fix leaks quickly enough
0%
50%
100%

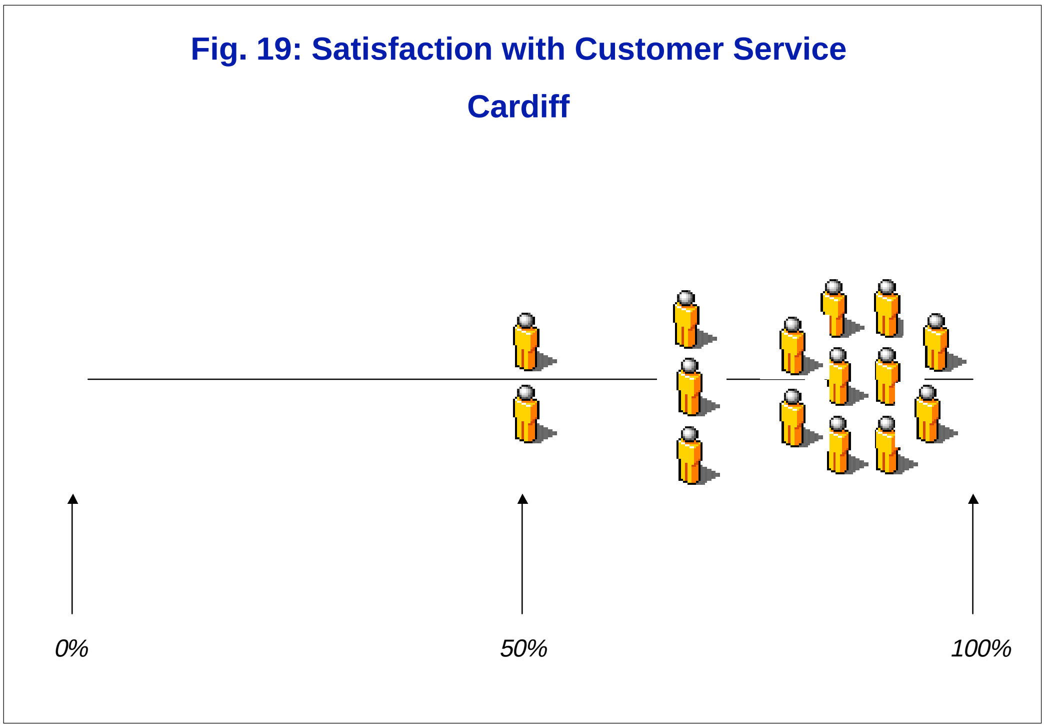


Fig. 19: Satisfaction with Customer Service
Cardiff
0%
50%
100%

Fig. 20: Satisfaction with Drinking Water Quality

Wrexham

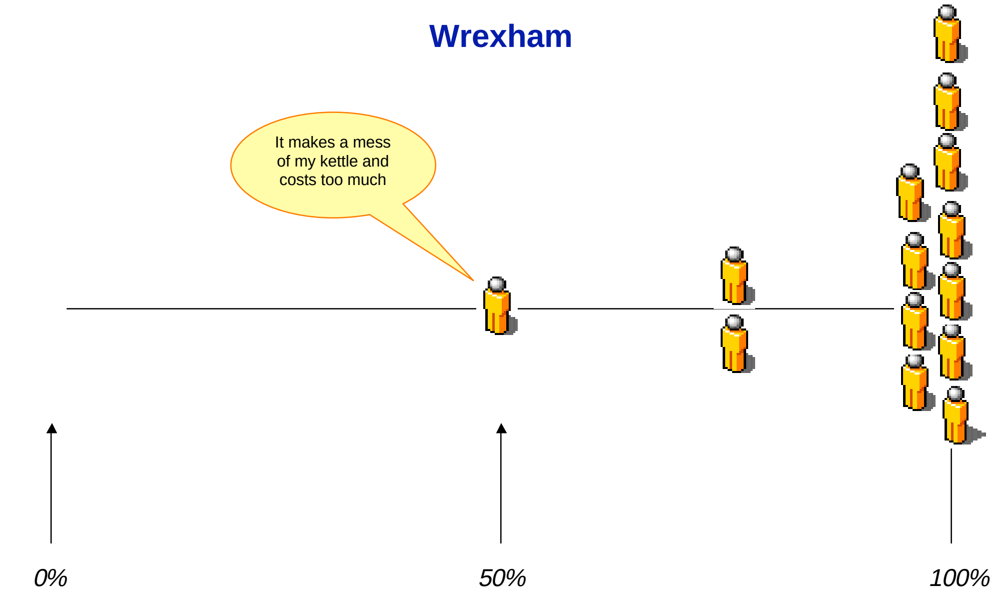


Fig. 21: Satisfaction with Sewer Flooding Prevention

Wrexham

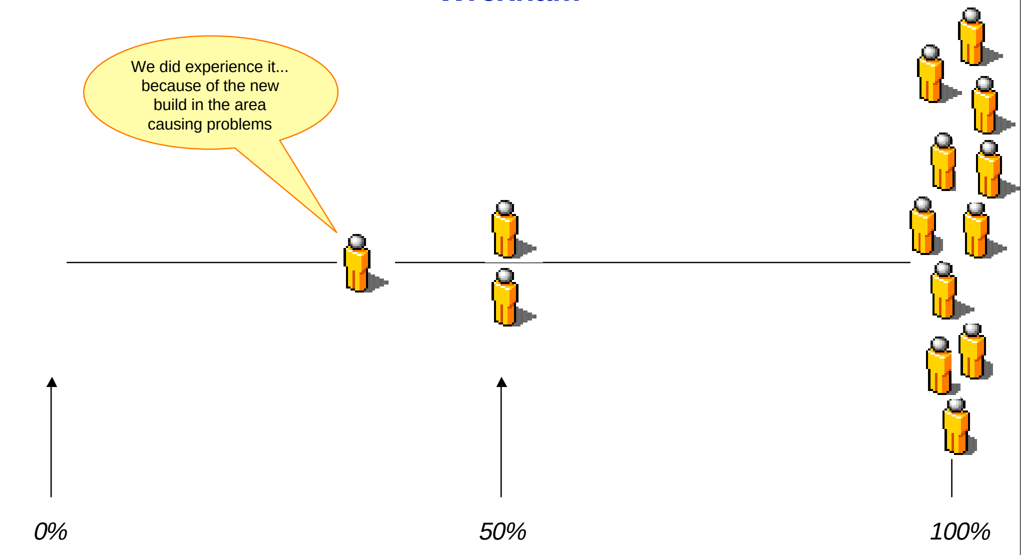


Fig. 22: Satisfaction with Customer Service – Dee Valley Wrexham

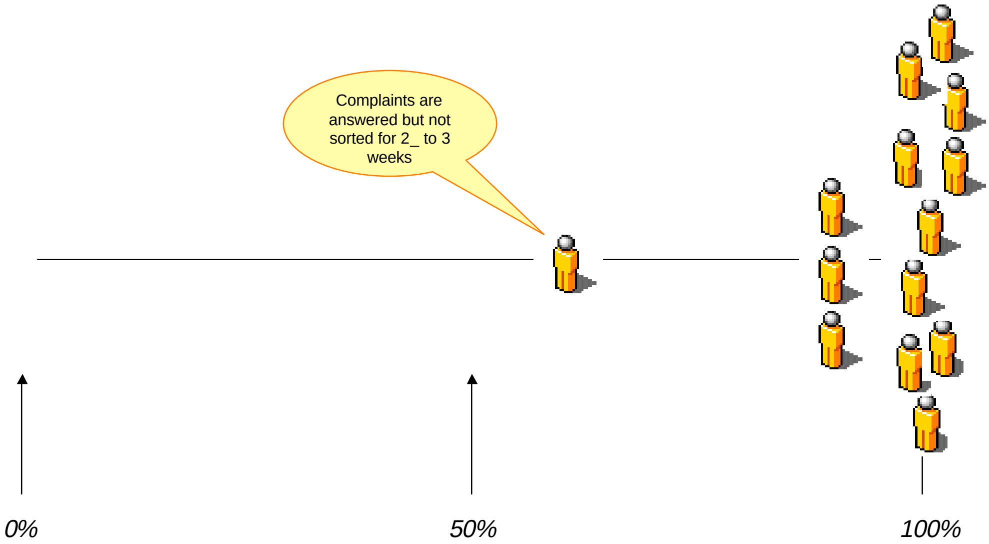


Fig. 23: Satisfaction with Customer Service – Welsh Water Wrexham

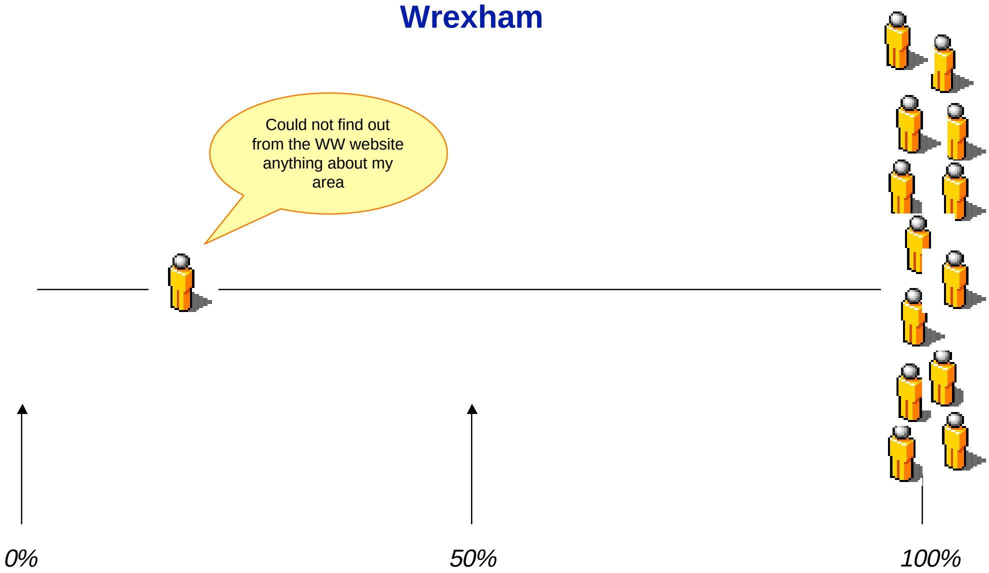


Fig. 24: Willingness to pay: Cardiff

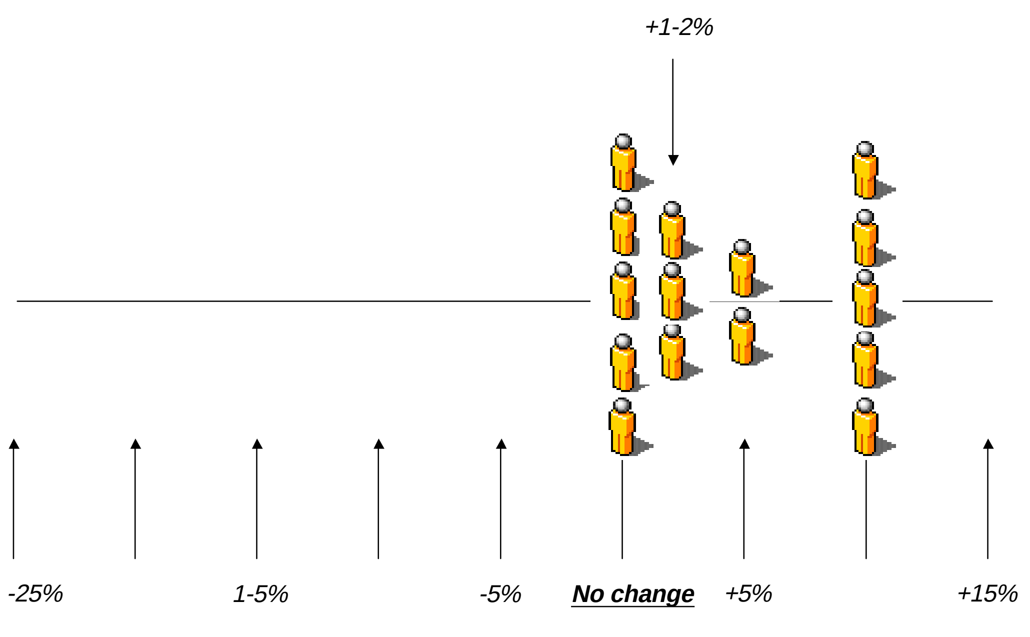


Fig. 25: Willingness to pay: Wrexham

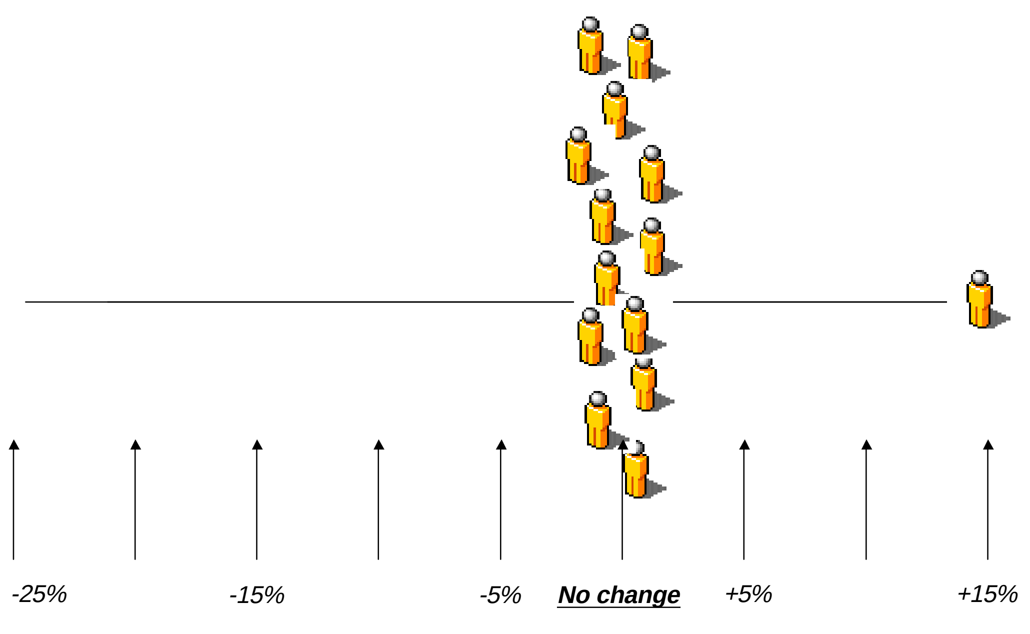
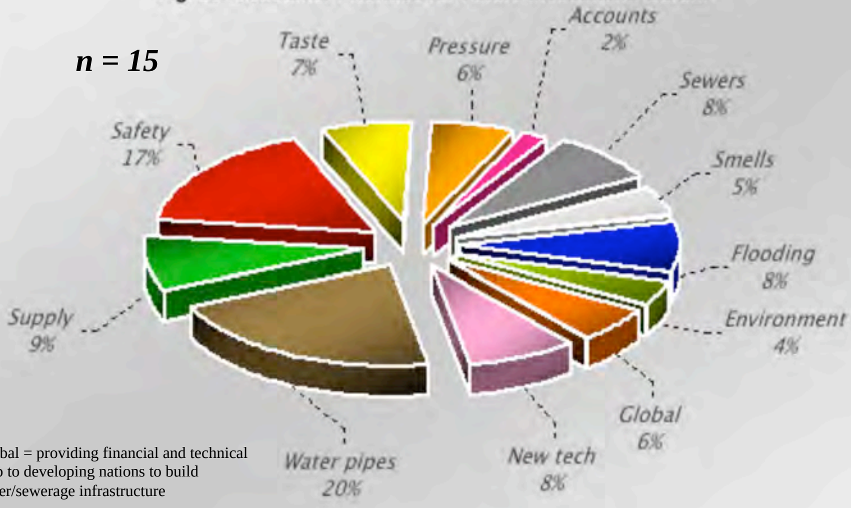


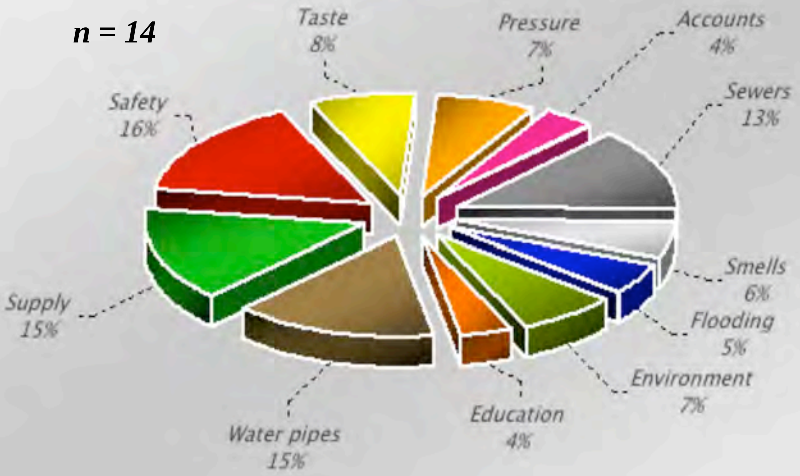
Fig. 26: Consumer Priorities for Future Investment: Cardiff



Global = providing financial and technical help to developing nations to build water/sewerage infrastructure

New tech = investing in new technologies to increase efficiency

Fig. 27: Consumer Priorities for Future Investment: Wrexham



Education = educating public about water conservation and other relevant issues

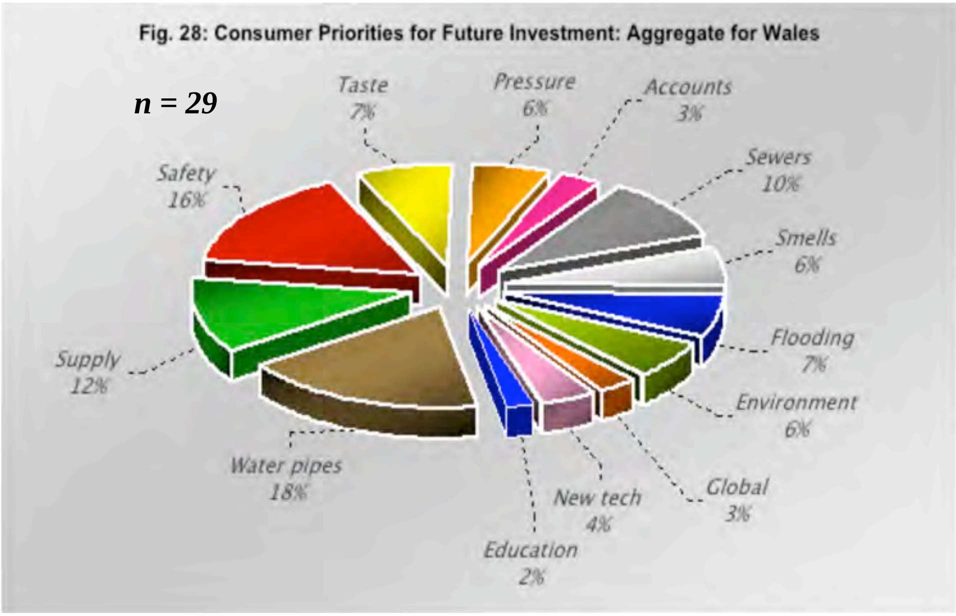


Fig. 28: Consumer Priorities for Future Investment: Aggregate for Wales
n = 29
Taste 7%
Pressure 6%
Accounts 3%
Sewers 10%
Smells 6%
Flooding 7%
Environment 6%
Global 3%
New tech 4%
Education 2%
Water pipes 18%
Supply 12%
Safety 16%

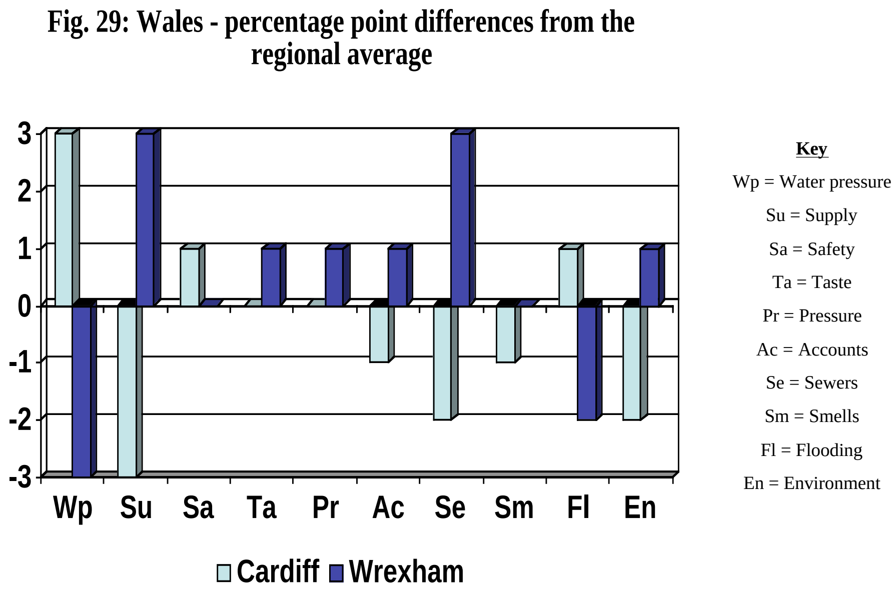


Fig. 29: Wales - percentage point differences from the regional average
3
2
1
0
-1
-2
-3
Wp Su Sa Ta Pr Ac Se Sm Fl En
Cardiff Wrexham
Key
Wp = Water pressure
Su = Supply
Sa = Safety
Ta = Taste
Pr = Pressure
Ac = Accounts
Se = Sewers
Sm = Smells
Fl = Flooding
En = Environment

6.5 South West

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

These were the most disgruntled and the best informed customers. They were well aware that their water bills were the highest in England by a long way. They felt their economic situation was also adversely affected by low wages and high property prices driven up by second home owners. Second home owners are believed to pay less council tax and typically to have water meters. Therefore they are seen to contribute less financially to the council and the water company, but to contribute to peak demand in the summer. Full-time residents believed they were having to pay for an infrastructure that has capacity to deal with peak demand in the summer and hence are effectively subsidising the holiday homes of the rich. Full-time residents felt that both second home owners and holiday-making visitors should contribute more towards the cost of the environmental improvements from which they benefit.

Many realised that Clean Sweep was good for the local economy. However as it had ended some believed bills should come down.

> *"Second homeowners should pay a flat rate and not a water meter rate."*
>
> Exeter

> *"If bills went up significantly over the next period [we] would really struggle."*
>
> Exeter

Fig. 30: Satisfaction with Drinking Water Quality

St Austell

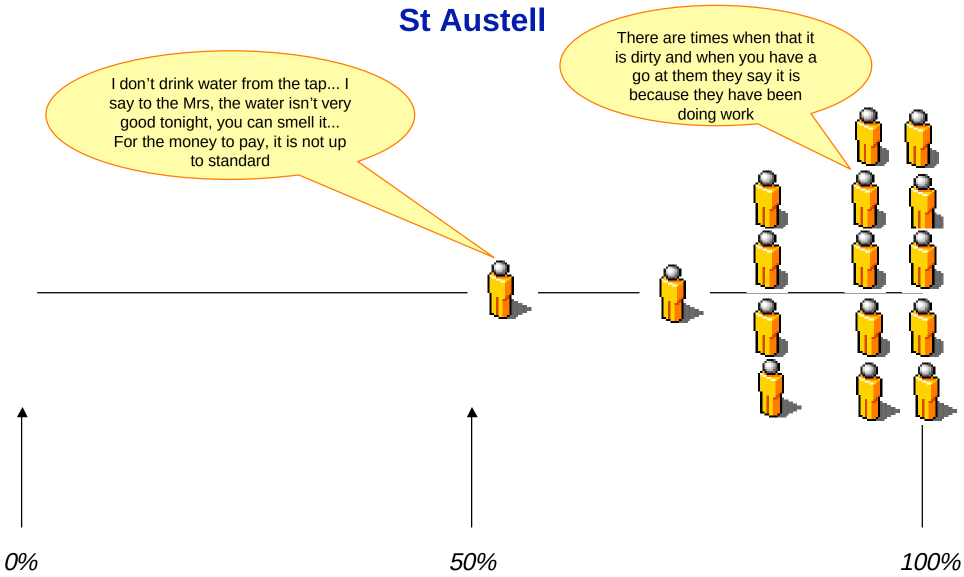
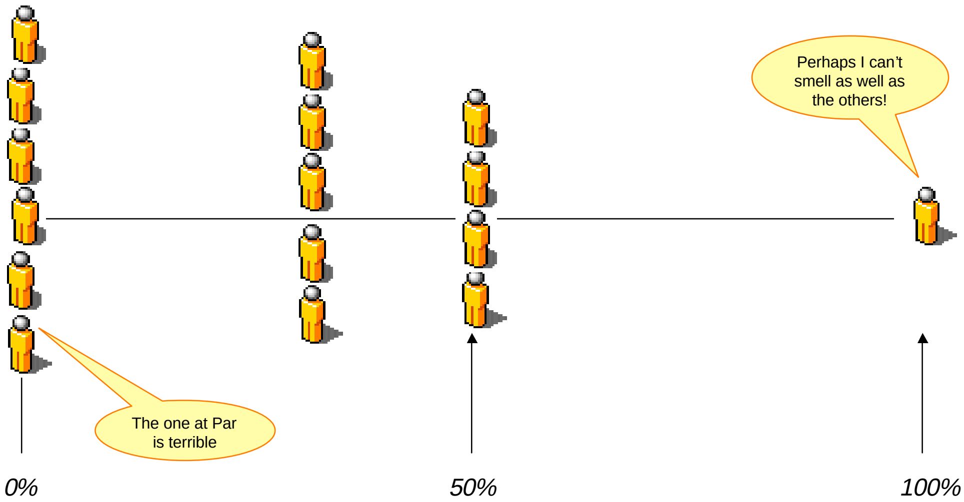


Fig. 31: Satisfaction with Management of Odours from Wastewater Treatment Works

St Austell



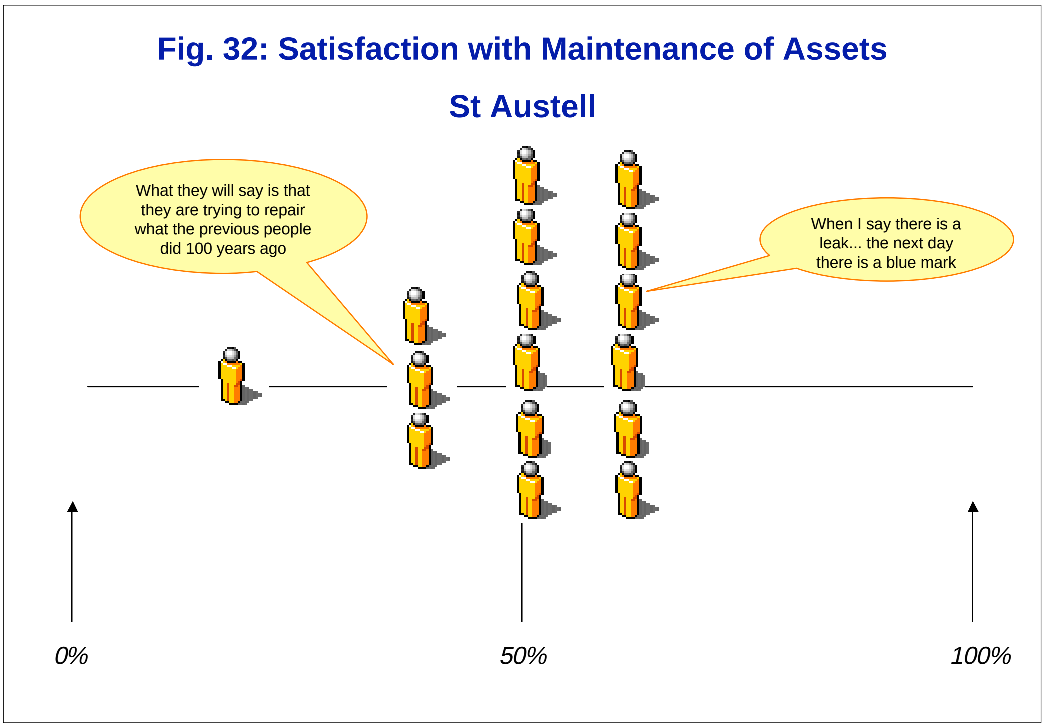


Fig. 32: Satisfaction with Maintenance of Assets
St Austell
What they will say is that they are trying to repair what the previous people did 100 years ago
When I say there is a leak... the next day there is a blue mark
0%
50%
100%

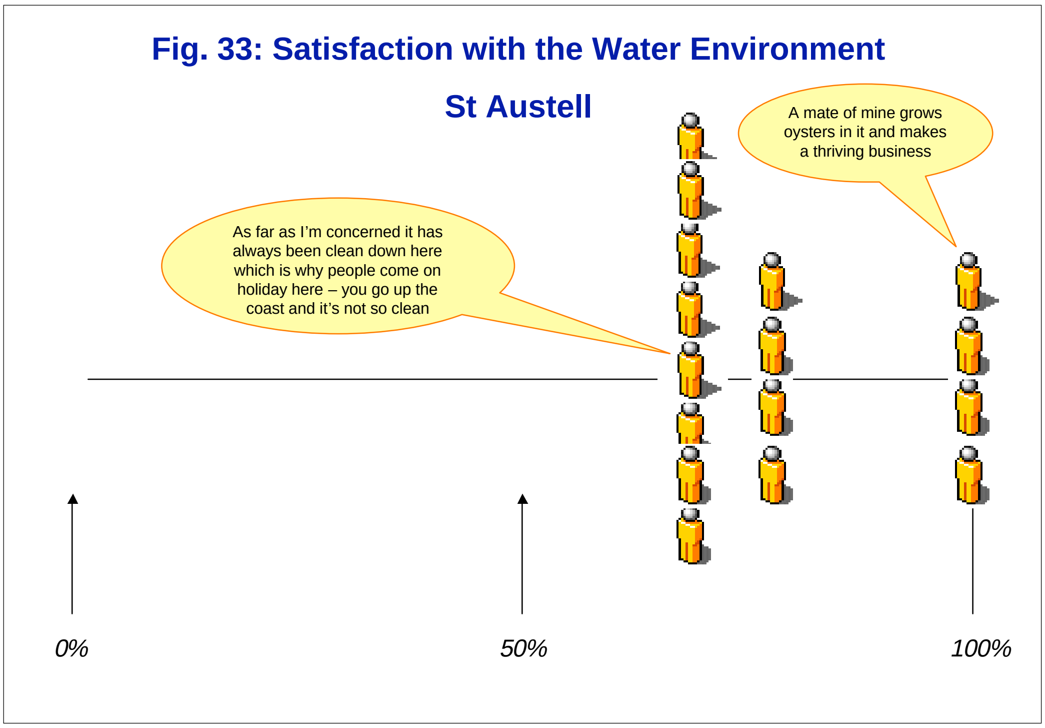


Fig. 33: Satisfaction with the Water Environment
St Austell
A mate of mine grows oysters in it and makes a thriving business
As far as I'm concerned it has always been clean down here which is why people come on holiday here – you go up the coast and it's not so clean
0%
50%
100%

Fig. 34: Satisfaction with Customer Service

St Austell

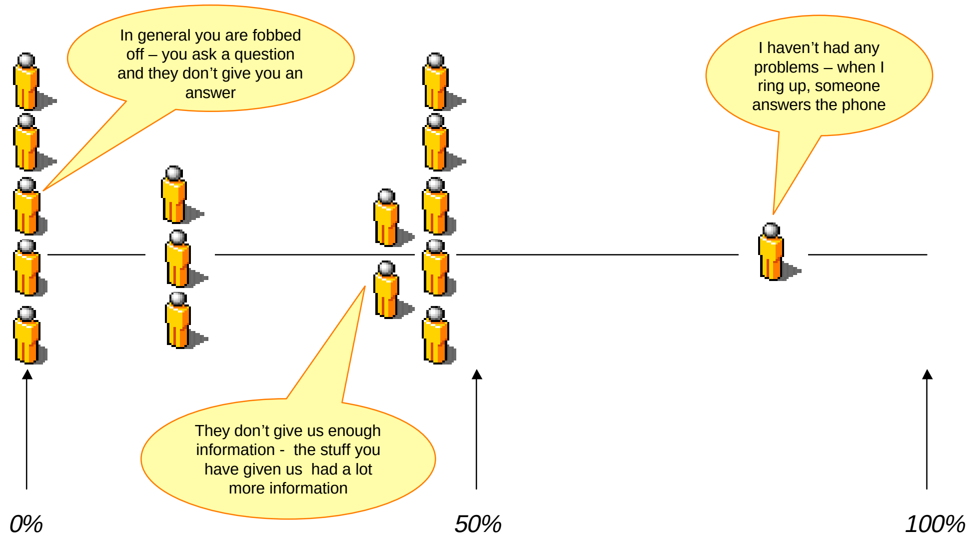
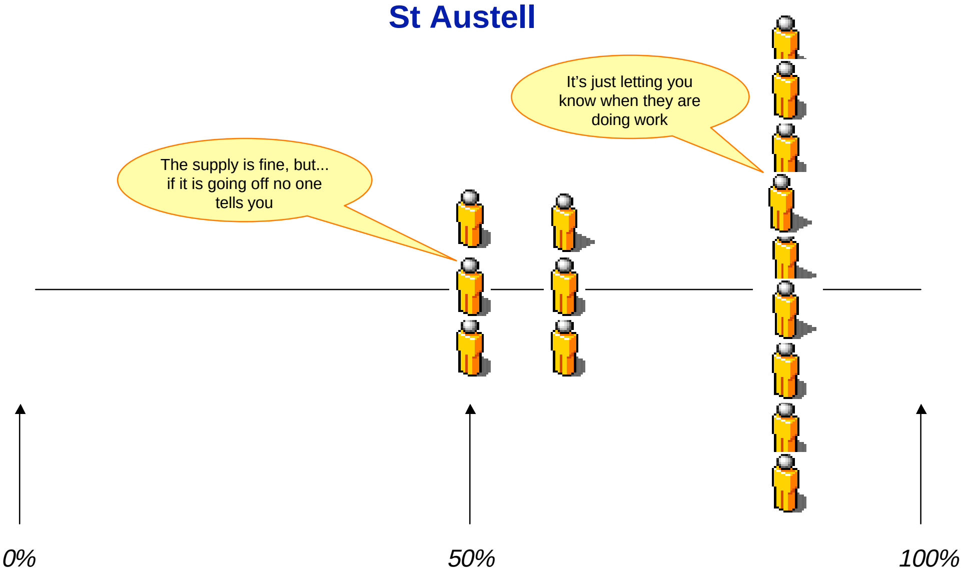


Fig. 35: Satisfaction with Reliability of the Water Supply

St Austell



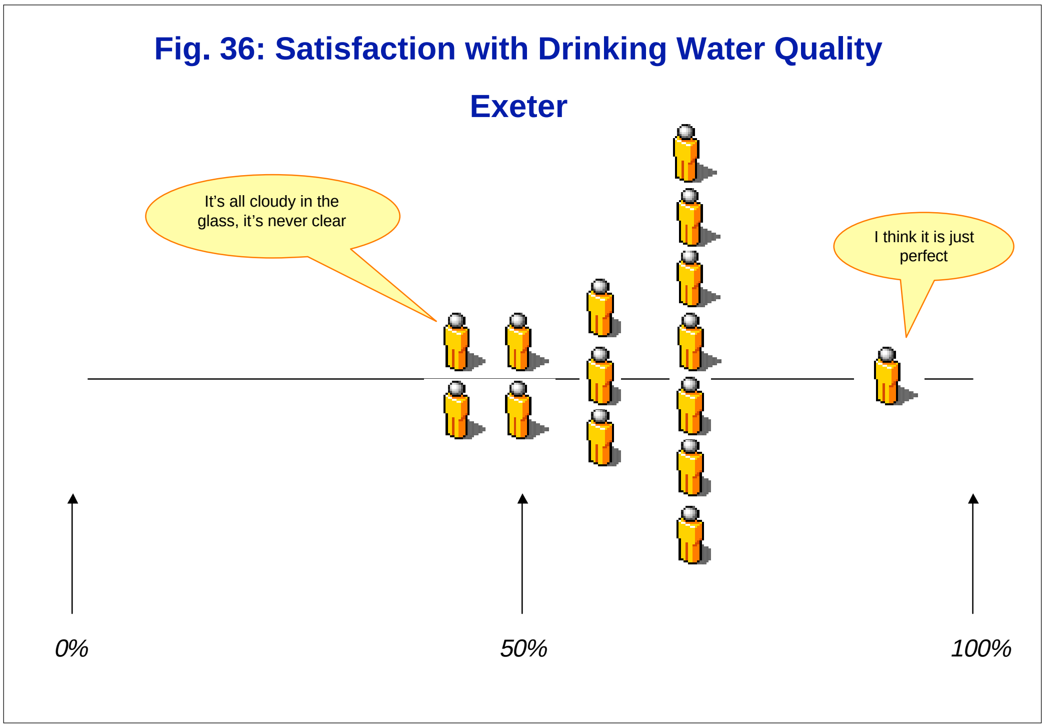


Fig. 36: Satisfaction with Drinking Water Quality
Exeter
It's all cloudy in the glass, it's never clear
I think it is just perfect
0%
50%
100%

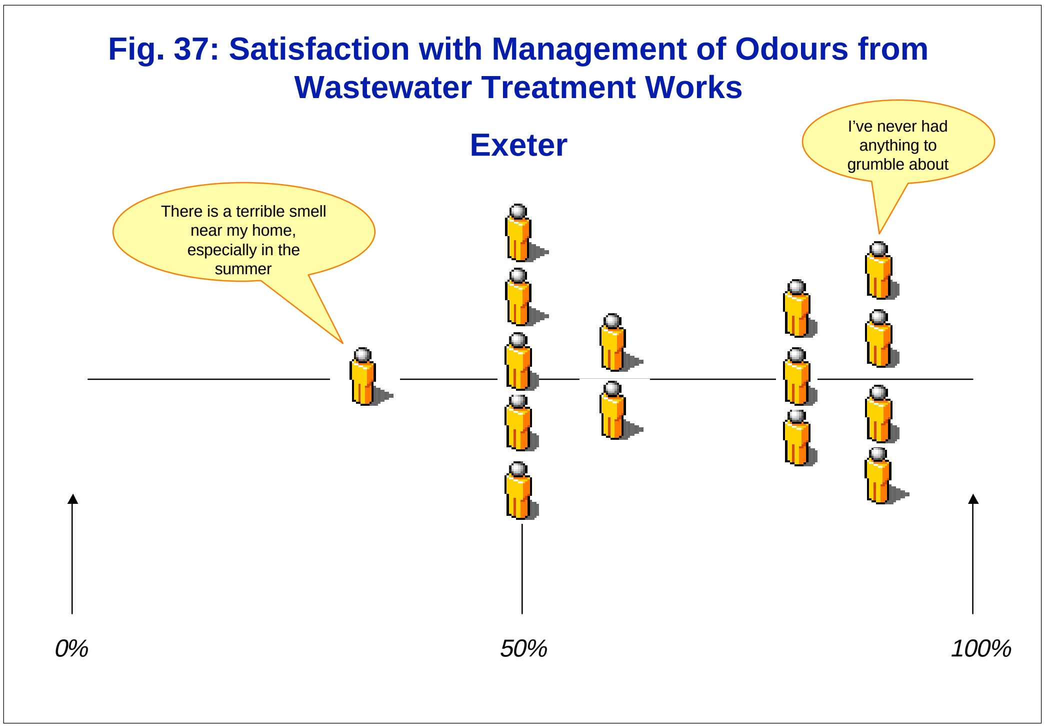


Fig. 37: Satisfaction with Management of Odours from Wastewater Treatment Works
Exeter
There is a terrible smell near my home, especially in the summer
I've never had anything to grumble about
0%
50%
100%

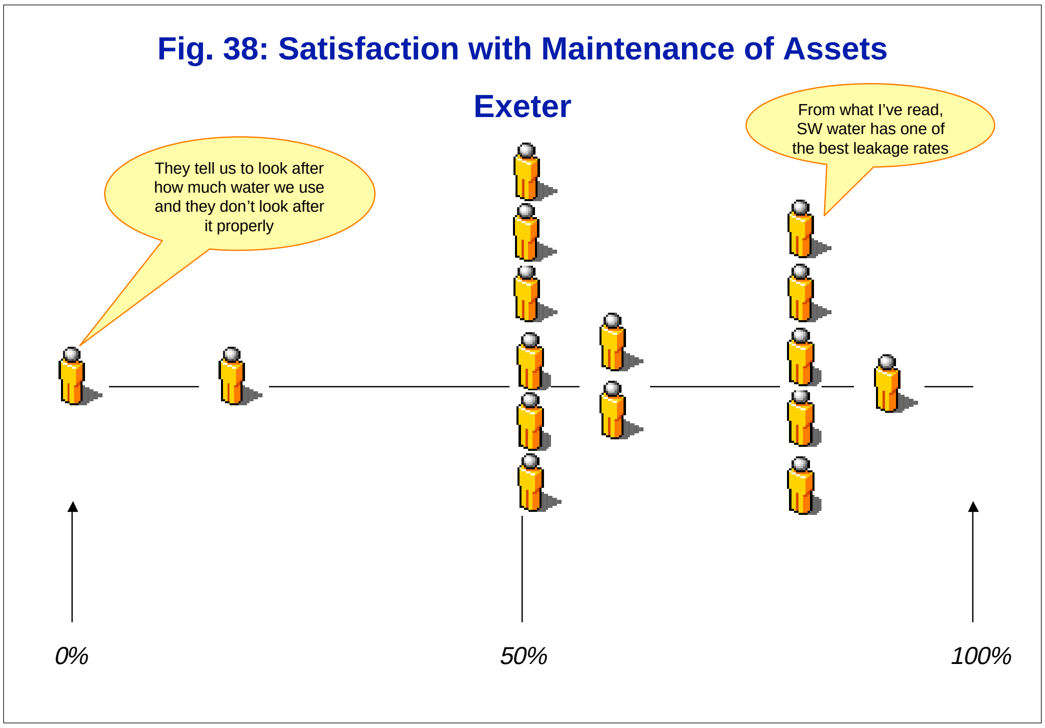


Fig. 38: Satisfaction with Maintenance of Assets
Exeter
They tell us to look after how much water we use and they don't look after it properly
From what I've read, SW water has one of the best leakage rates
0%
50%
100%

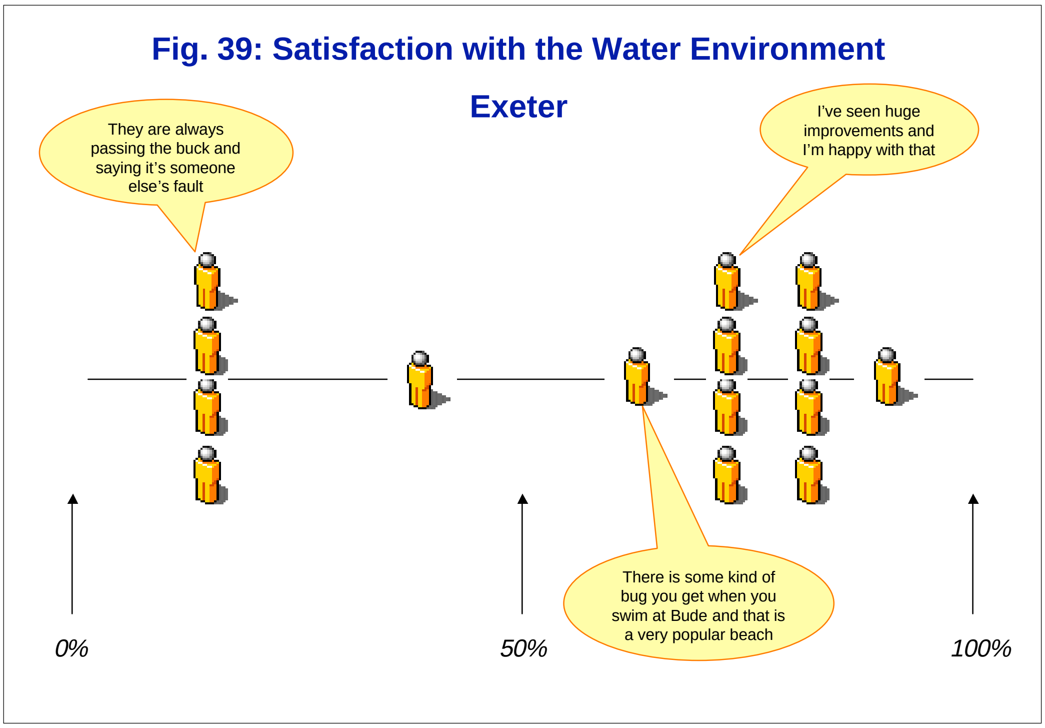


Fig. 39: Satisfaction with the Water Environment
Exeter
They are always passing the buck and saying it's someone else's fault
I've seen huge improvements and I'm happy with that
There is some kind of bug you get when you swim at Bude and that is a very popular beach
0%
50%
100%

Fig. 40: Satisfaction with Customer Service

Exeter

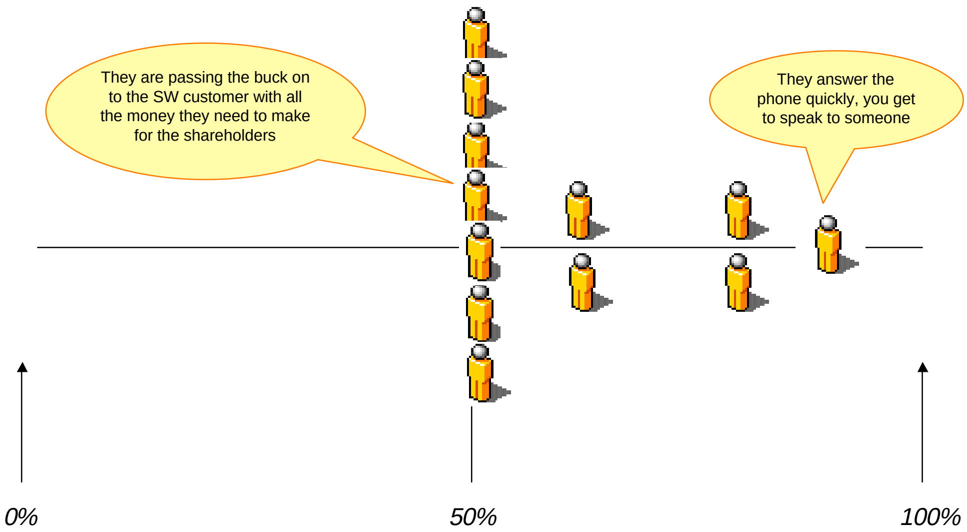


Fig. 41: Satisfaction with Reliability of the Water Supply

Exeter

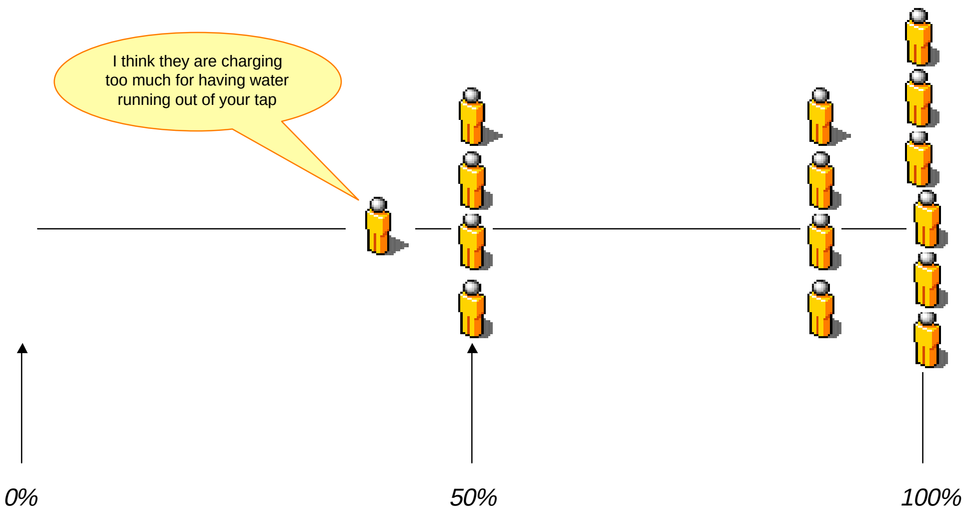


Fig. 42: Willingness to pay: St Austell

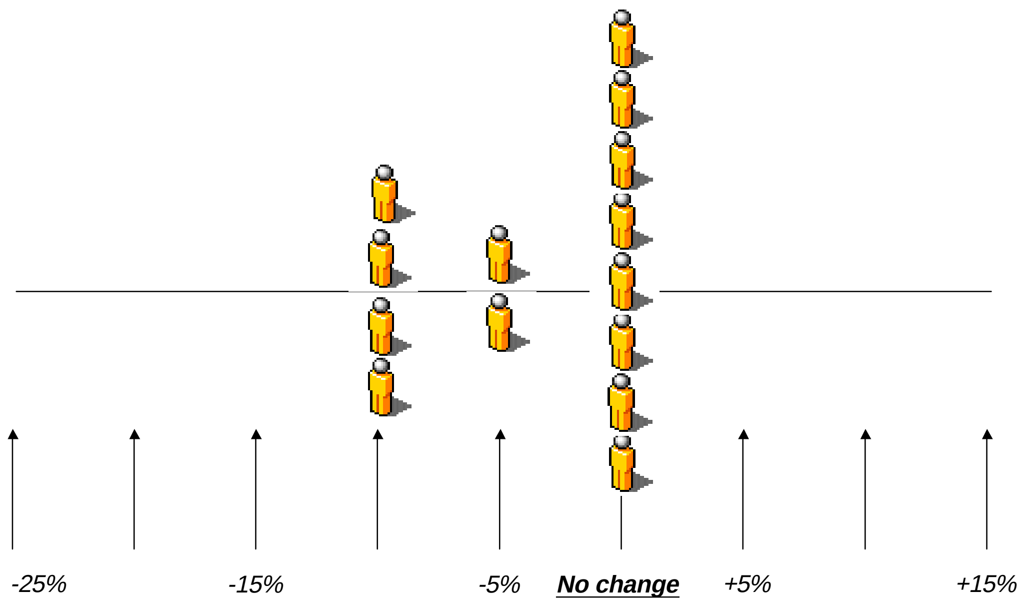


Fig. 43: Willingness to pay: Exeter

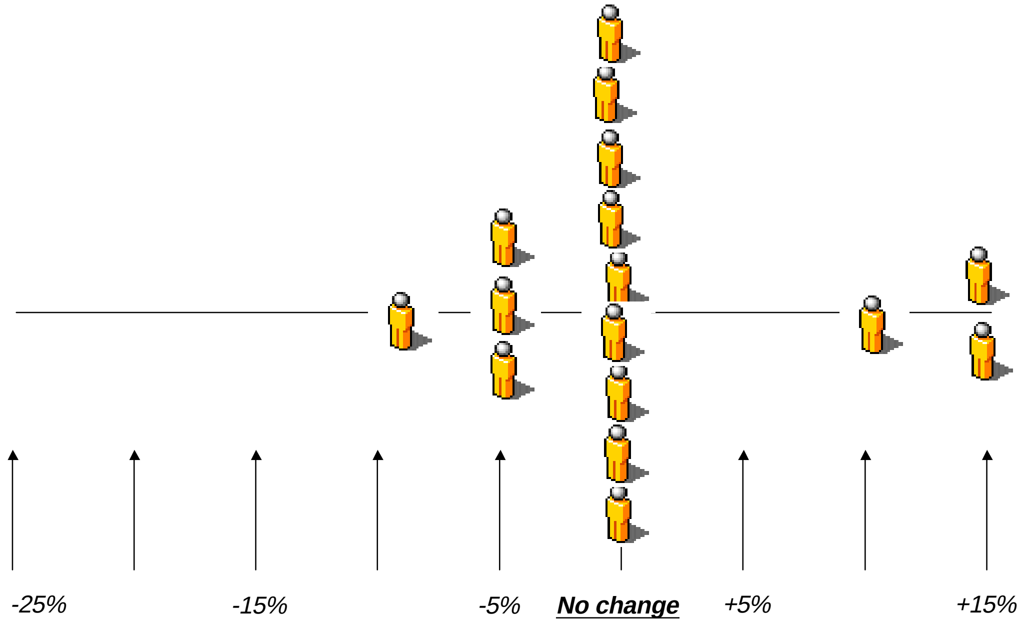


Fig. 44: Consumer Priorities for Future Investment: St Austell

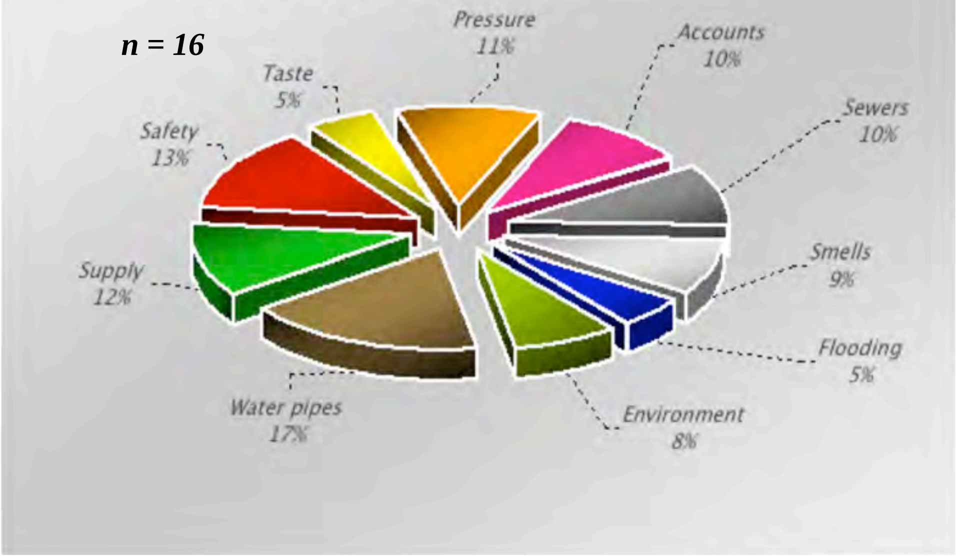
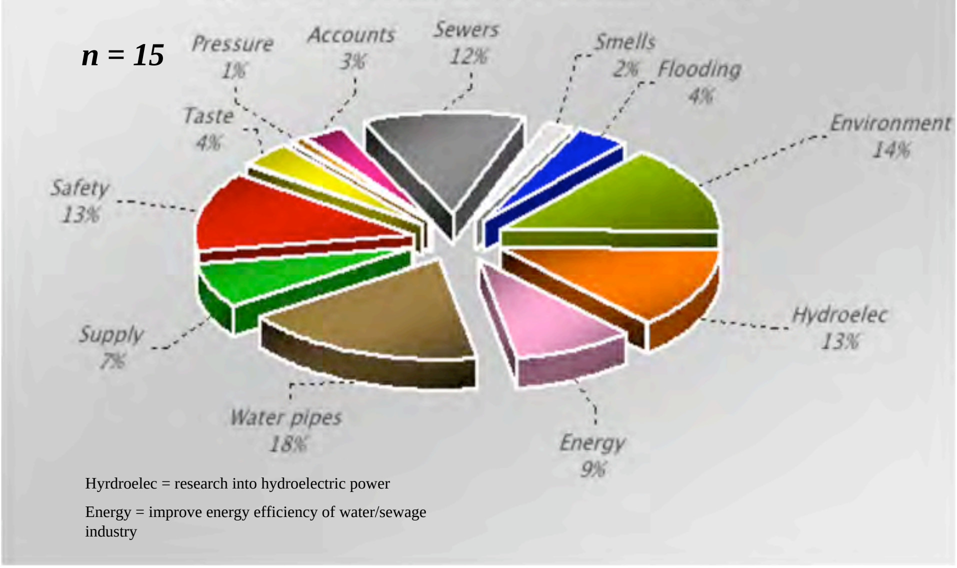


Fig. 45: Consumer Priorities for Future Investment: Exeter



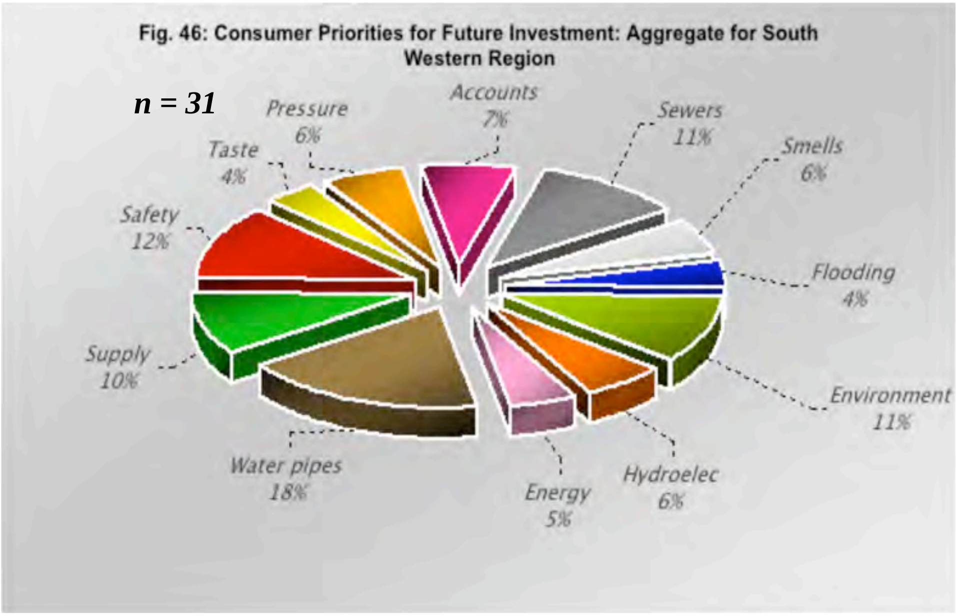


Fig. 46: Consumer Priorities for Future Investment: Aggregate for South Western Region
n = 31
Pressure 6%
Accounts 7%
Sewers 11%
Smells 6%
Taste 4%
Safety 12%
Flooding 4%
Supply 10%
Environment 11%
Water pipes 18%
Energy 5%
Hydroelec 6%

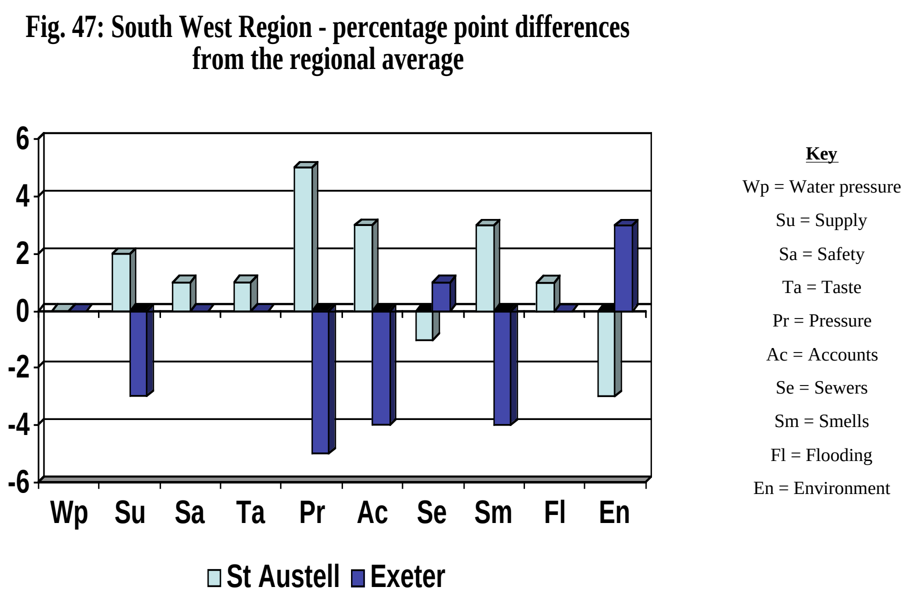


Fig. 47: South West Region - percentage point differences from the regional average
6
4
2
0
-2
-4
-6
Wp Su Sa Ta Pr Ac Se Sm Fl En
St Austell Exeter
Key
Wp = Water pressure
Su = Supply
Sa = Safety
Ta = Taste
Pr = Pressure
Ac = Accounts
Se = Sewers
Sm = Smells
Fl = Flooding
En = Environment

6.6 Wessex

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

There was notable concern in Bristol about foreign ownership but insufficient comparative data to claim that it was significantly different from other regions.

> *"Bristol Water is owned by a Spanish company. They paid something like £265 million for it. Who had that money? Did that money go back into the water system? Is it shareholders?"*
>
> Bristol

Some felt the split responsibility for sewerage and water was not advantageous for customers.

In Bristol drinking water quality was believed to vary widely across the city and environs.

Pensioners in Yeovil were very sour about privatisation, but again their remarks were perhaps more typical of lower and fixed income individuals in rural areas than particular to the Wessex region.

> *"They are grabbing all the money and it is people like us who get the rough end of the stick."*
>
> Yeovil

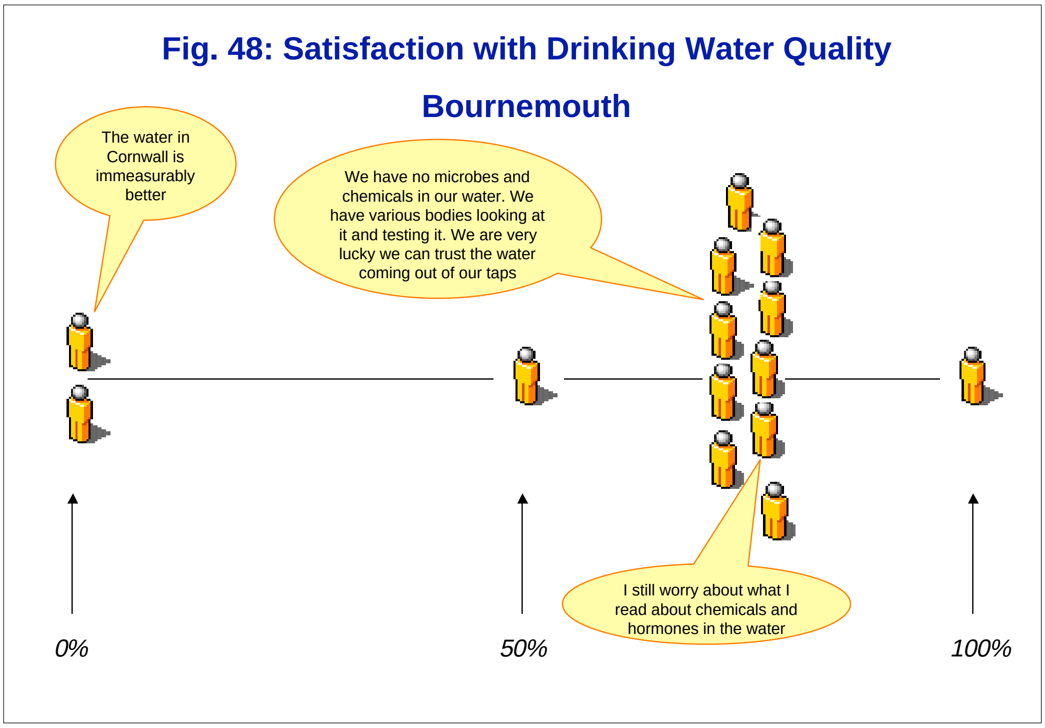


Fig. 48: Satisfaction with Drinking Water Quality
Bournemouth
The water in Cornwall is immeasurably better
We have no microbes and chemicals in our water. We have various bodies looking at it and testing it. We are very lucky we can trust the water coming out of our taps
I still worry about what I read about chemicals and hormones in the water
0%
50%
100%

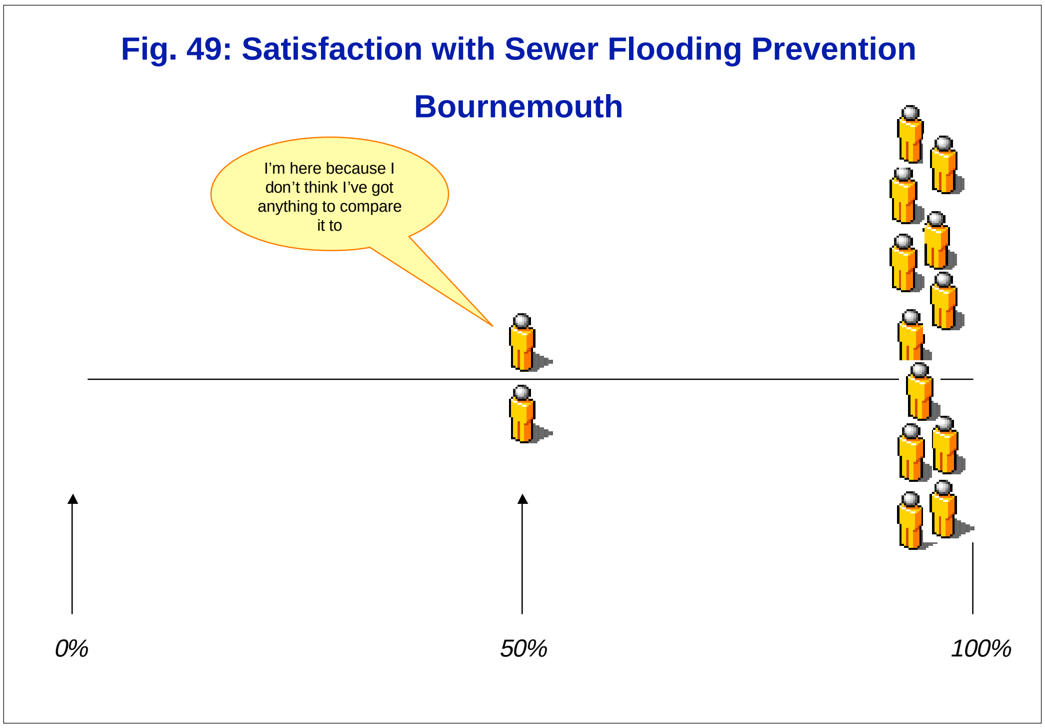


Fig. 49: Satisfaction with Sewer Flooding Prevention
Bournemouth
I'm here because I don't think I've got anything to compare it to
0%
50%
100%

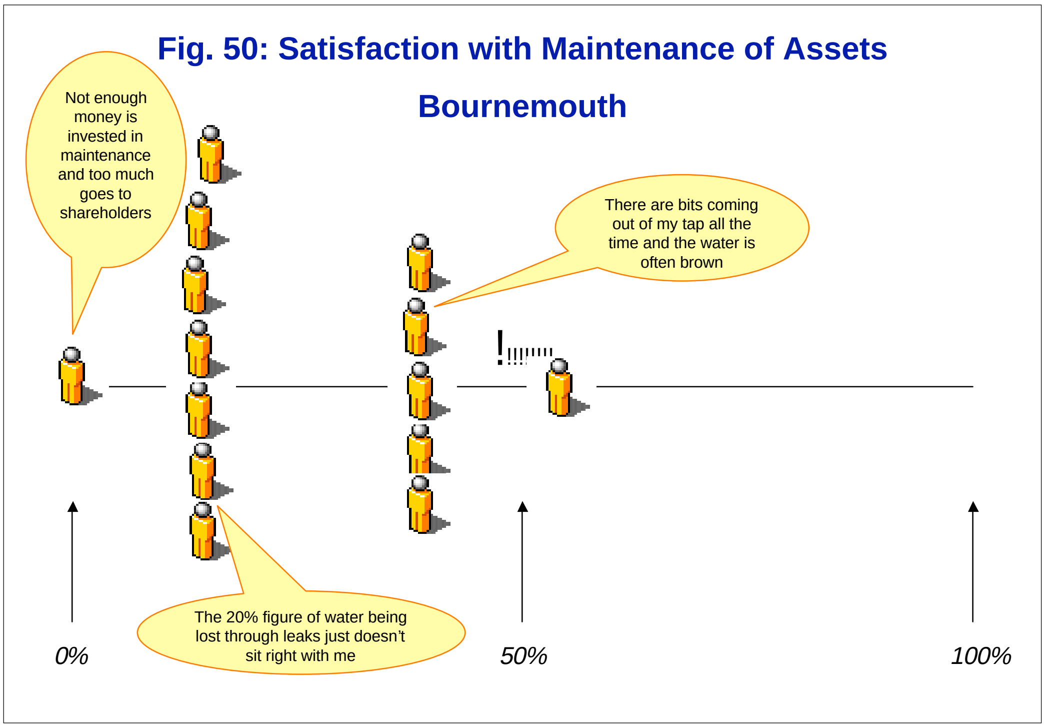


Fig. 50: Satisfaction with Maintenance of Assets
Bournemouth
Not enough money is invested in maintenance and too much goes to shareholders
There are bits coming out of my tap all the time and the water is often brown
The 20% figure of water being lost through leaks just doesn't sit right with me
0%
50%
100%

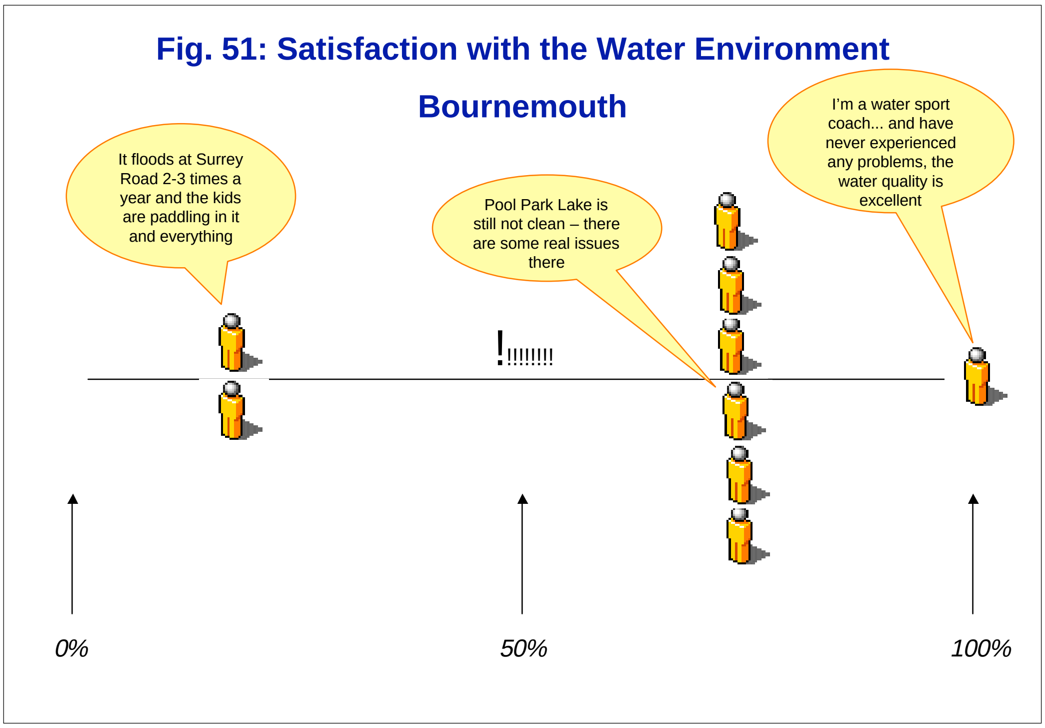


Fig. 51: Satisfaction with the Water Environment
Bournemouth
It floods at Surrey Road 2-3 times a year and the kids are paddling in it and everything
Pool Park Lake is still not clean – there are some real issues there
I'm a water sport coach... and have never experienced any problems, the water quality is excellent
!!!!!!!!
0%
50%
100%

Fig. 52: Satisfaction with Customer Service

Bournemouth

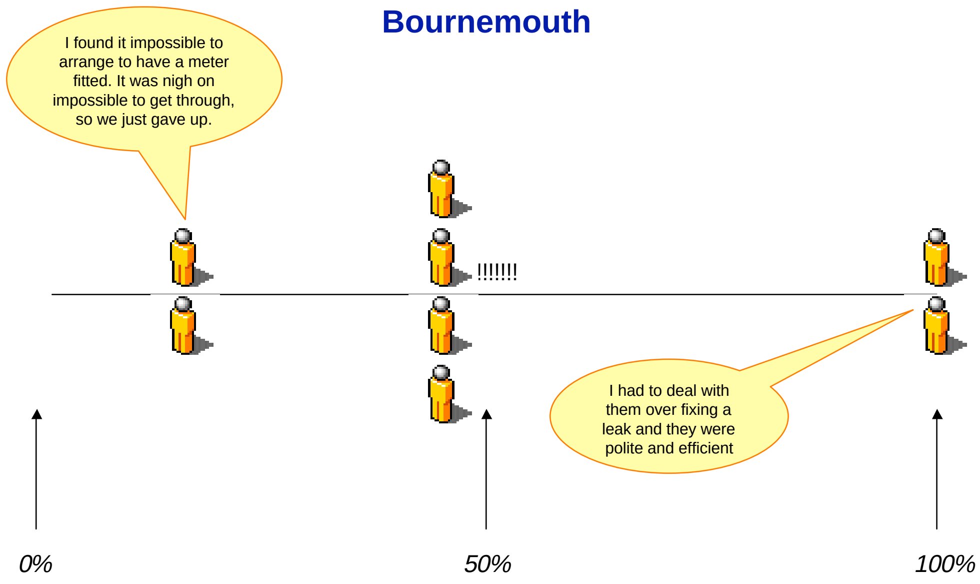
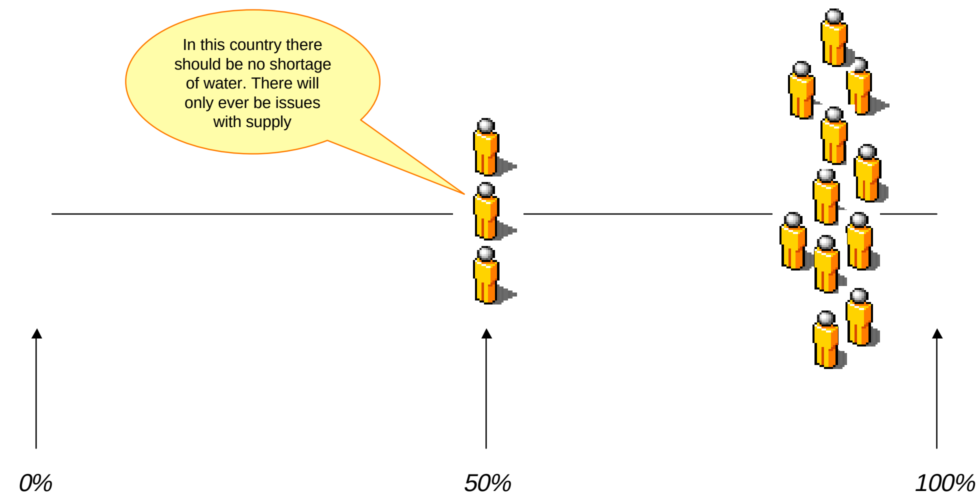


Fig. 53: Satisfaction with Reliability of the Water Supply

Bournemouth



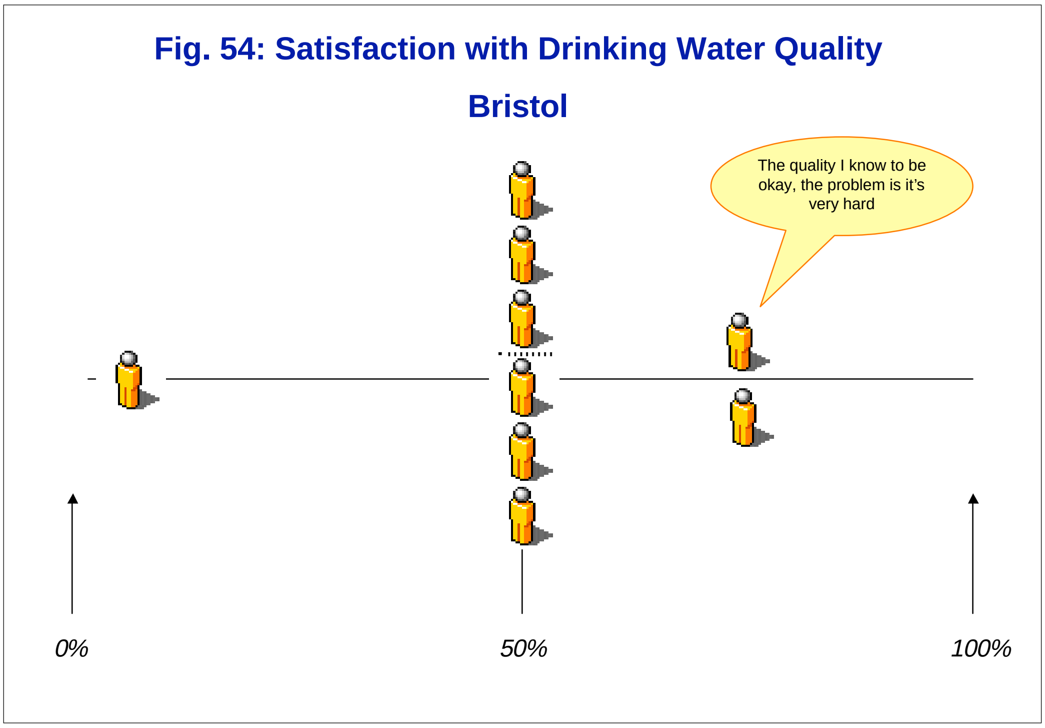


Fig. 54: Satisfaction with Drinking Water Quality
Bristol
The quality I know to be okay, the problem is it's very hard
0%
50%
100%

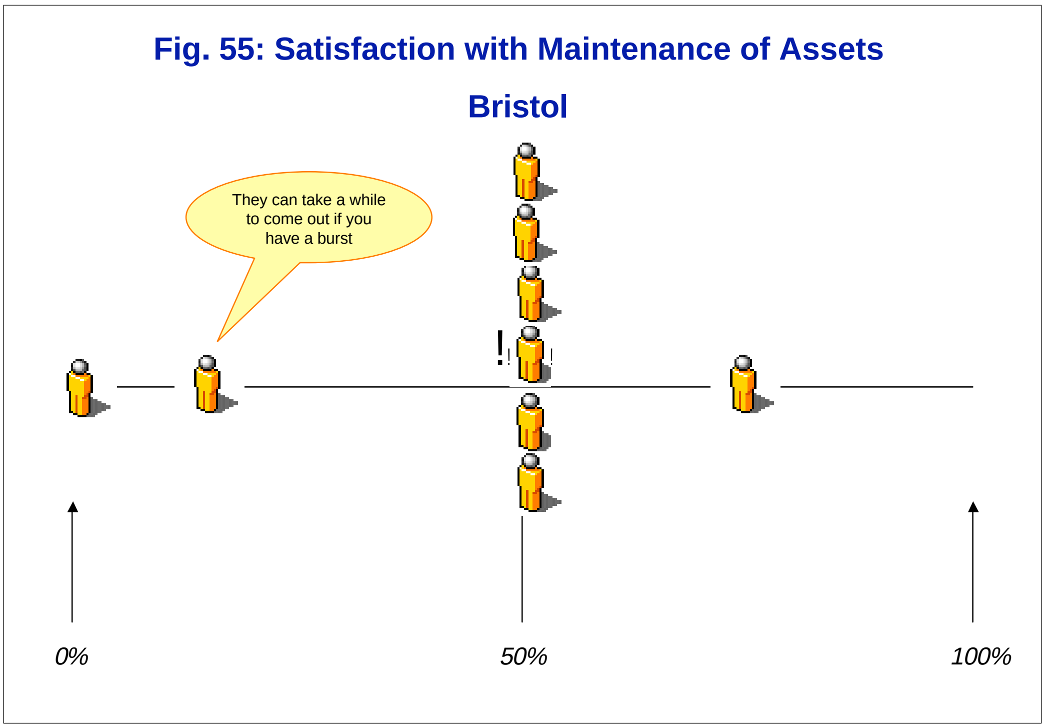


Fig. 55: Satisfaction with Maintenance of Assets
Bristol
They can take a while to come out if you have a burst
0%
50%
100%

Fig. 56: Satisfaction with the Water Environment re Bristol Water

Bristol

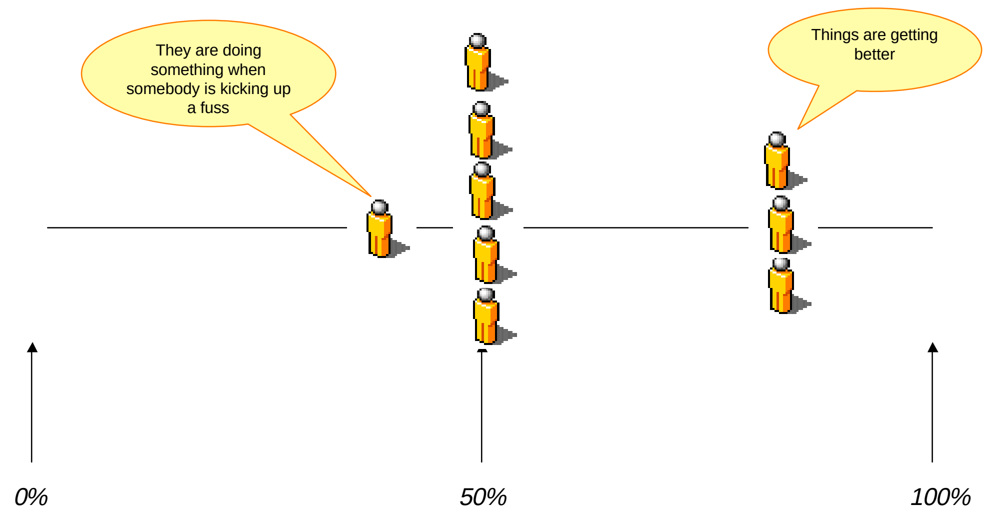


Fig. 57: Satisfaction with the Water Environment re Wessex Water

Bristol

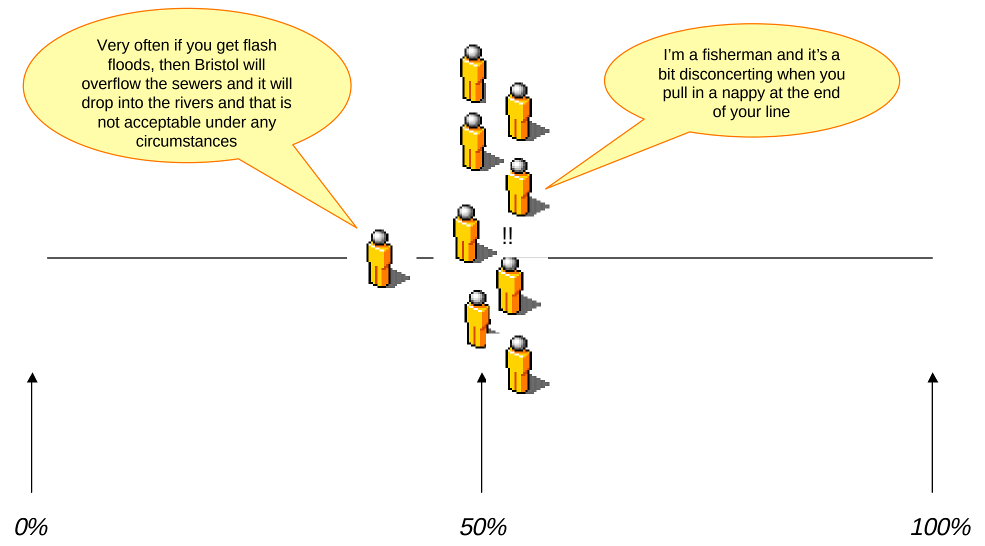


Fig. 58: Satisfaction with Customer Service

Bristol

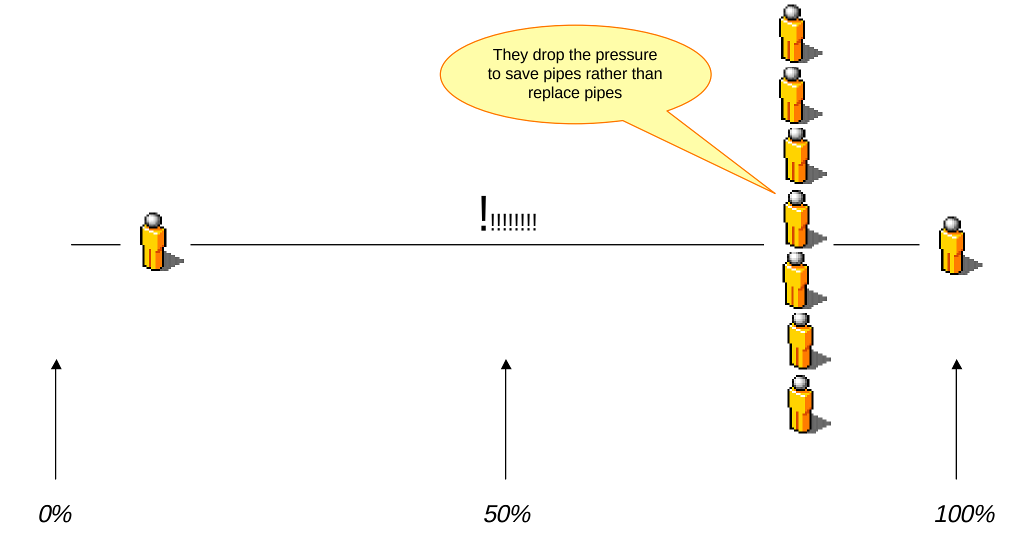


Fig. 59: Willingness to pay: Bournemouth

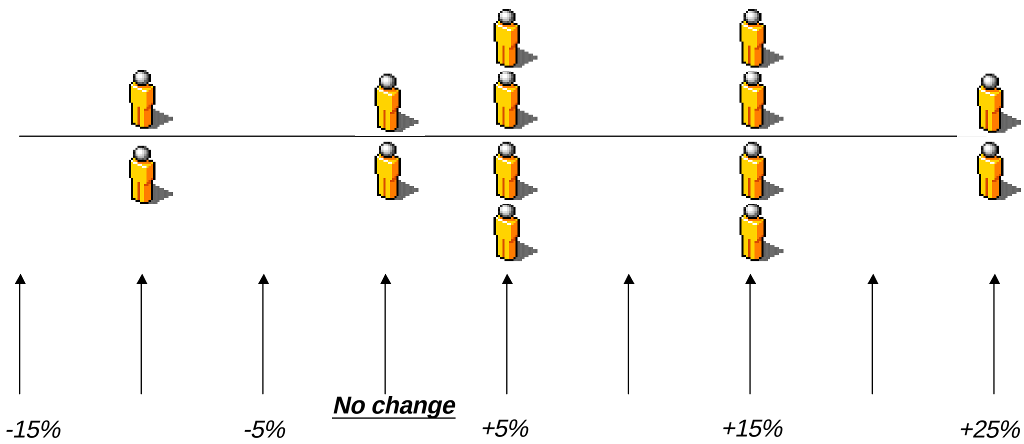


Fig. 60: Willingness to pay: Bristol

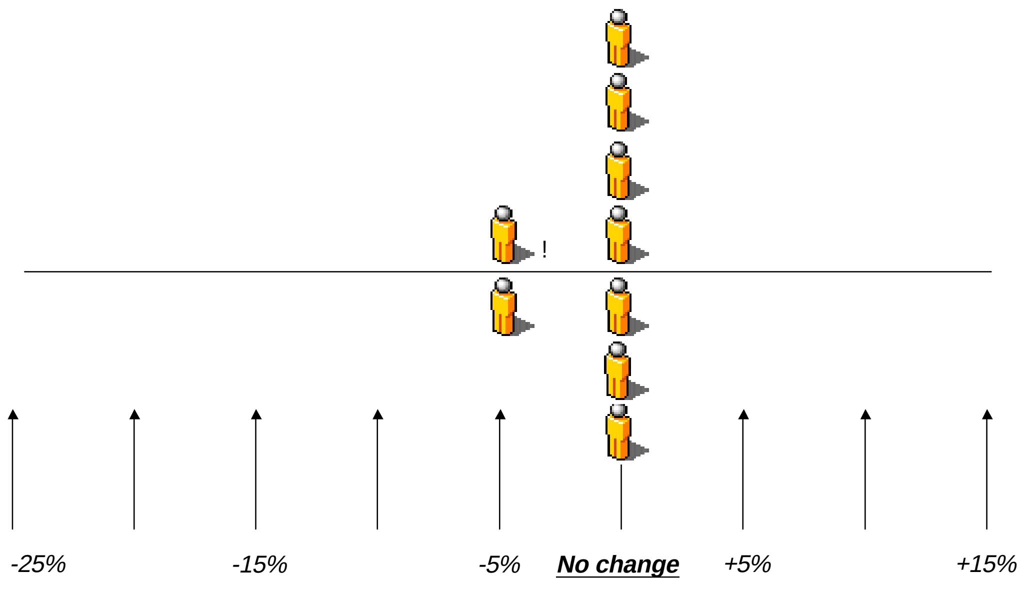
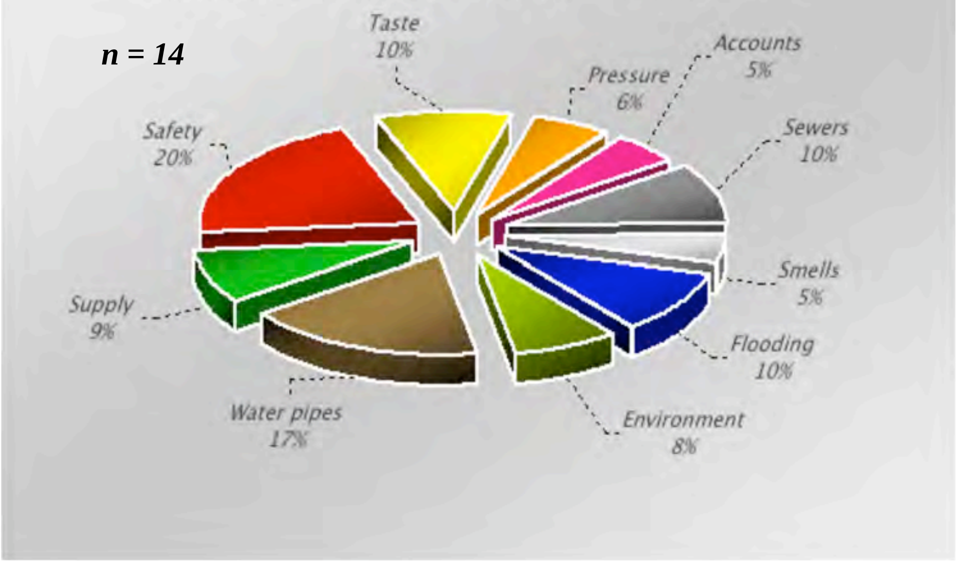


Fig. 61: Consumer Priorities for Future Investment: Bournemouth



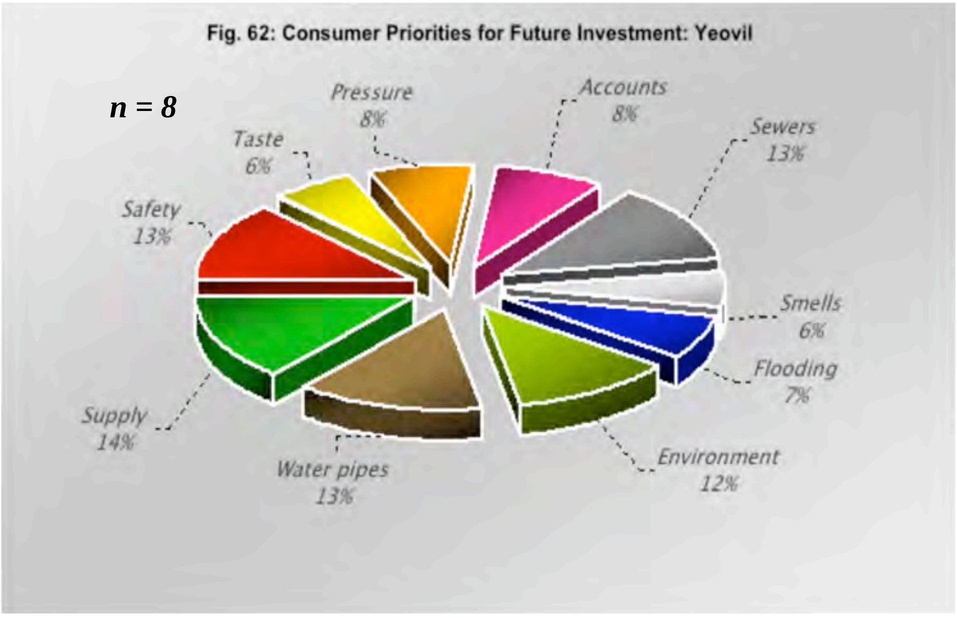


Fig. 62: Consumer Priorities for Future Investment: Yeovil
n = 8
Pressure 8%
Accounts 8%
Taste 6%
Sewers 13%
Safety 13%
Smells 6%
Flooding 7%
Supply 14%
Environment 12%
Water pipes 13%

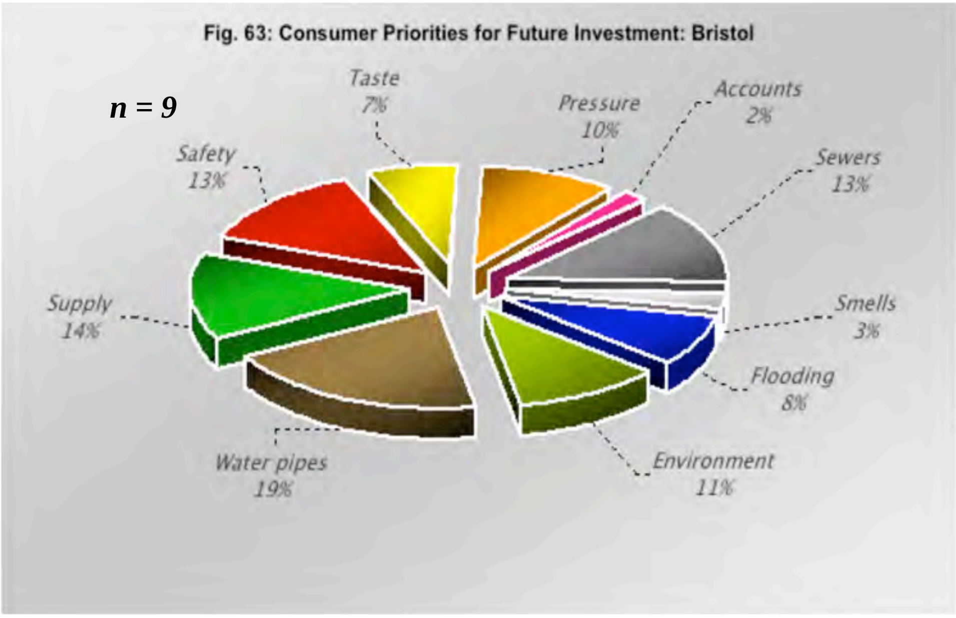


Fig. 63: Consumer Priorities for Future Investment: Bristol
n = 9
Taste 7%
Pressure 10%
Accounts 2%
Sewers 13%
Safety 13%
Supply 14%
Smells 3%
Flooding 8%
Environment 11%
Water pipes 19%

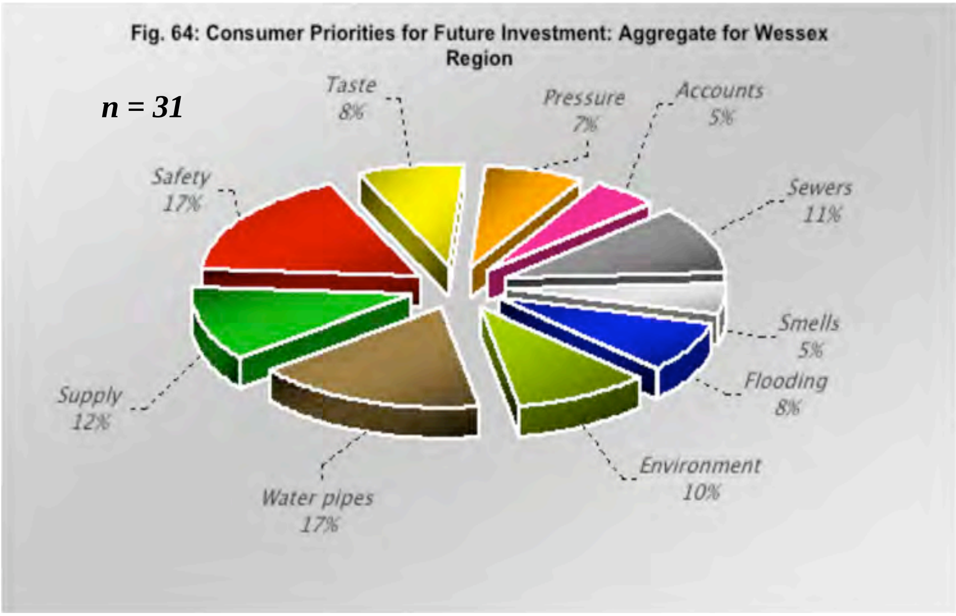


Fig. 64: Consumer Priorities for Future Investment: Aggregate for Wessex Region
n = 31
Taste 8%
Pressure 7%
Accounts 5%
Safety 17%
Sewers 11%
Smells 5%
Flooding 8%
Supply 12%
Environment 10%
Water pipes 17%

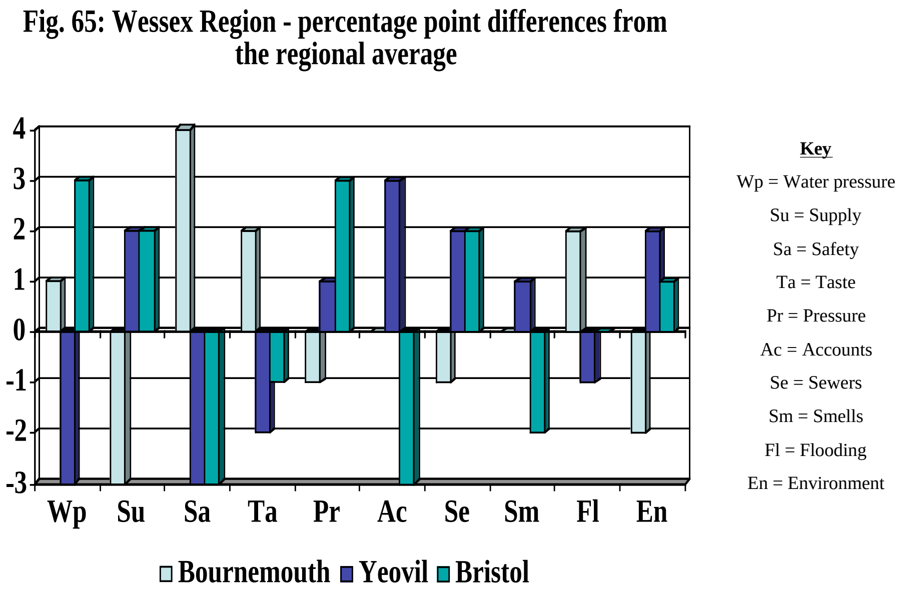


Fig. 65: Wessex Region - percentage point differences from the regional average
4
3
2
1
0
-1
-2
-3
Wp
Su
Sa
Ta
Pr
Ac
Se
Sm
Fl
En
Bournemouth
Yeovil
Bristol
Key
Wp = Water pressure
Su = Supply
Sa = Safety
Ta = Taste
Pr = Pressure
Ac = Accounts
Se = Sewers
Sm = Smells
Fl = Flooding
En = Environment

6.7 Southern

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

Some people were aware that Southern Water had been fined £20m for overcharging but not aware whether or not customers had been reimbursed.

A good number were particularly exercised that neither water companies nor local councils exerted sufficient control over developers who build on flood plains and overload sewers. The drains in Lewes were reported to block frequently.

The combination of leaks and hosepipe bans was strongly resented.

There was a rare plaudit for customer communications.

> *"I am impressed with the Southeast Water bills, it actually tells you how much cubic whatever you're using every time you're having a bath, or whatever... so a normal sort of person can relate to it."*

Lewes

Fig. 66: Satisfaction with Drinking Water Quality Eastleigh

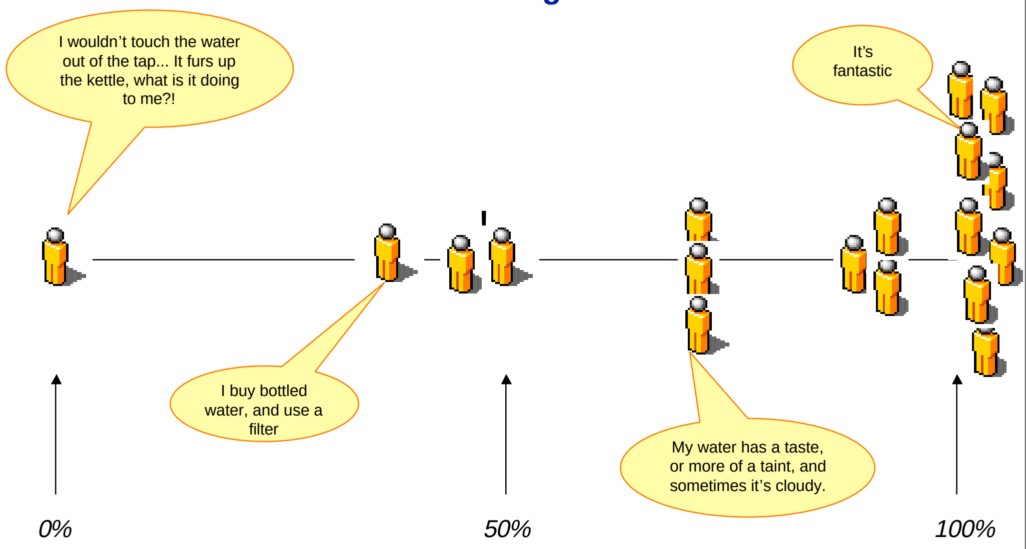


Fig. 67: Satisfaction with Sewer Flooding Prevention Eastleigh

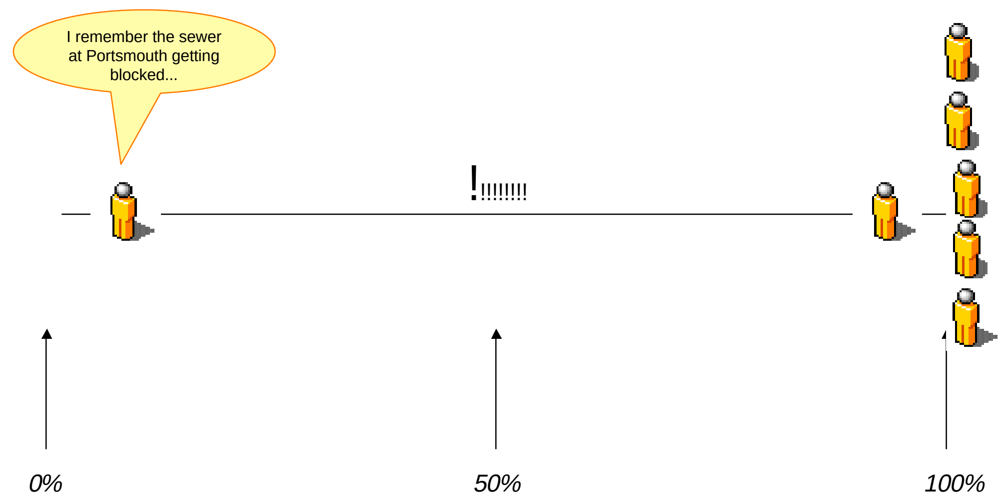


Fig. 68: Satisfaction with Maintenance of Assets Eastleigh

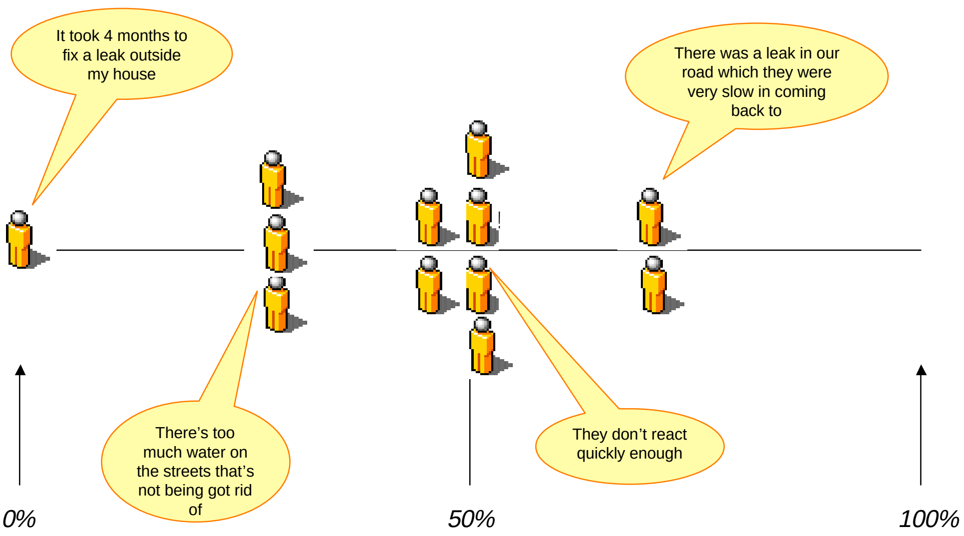


Fig. 69: Satisfaction with the Water Environment Eastleigh

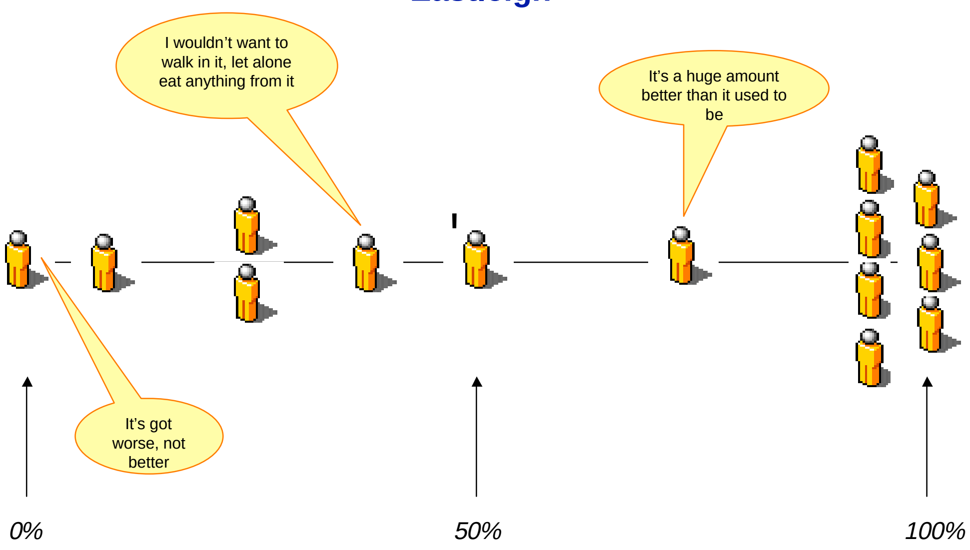


Fig. 70: Satisfaction with Customer Service

Eastleigh

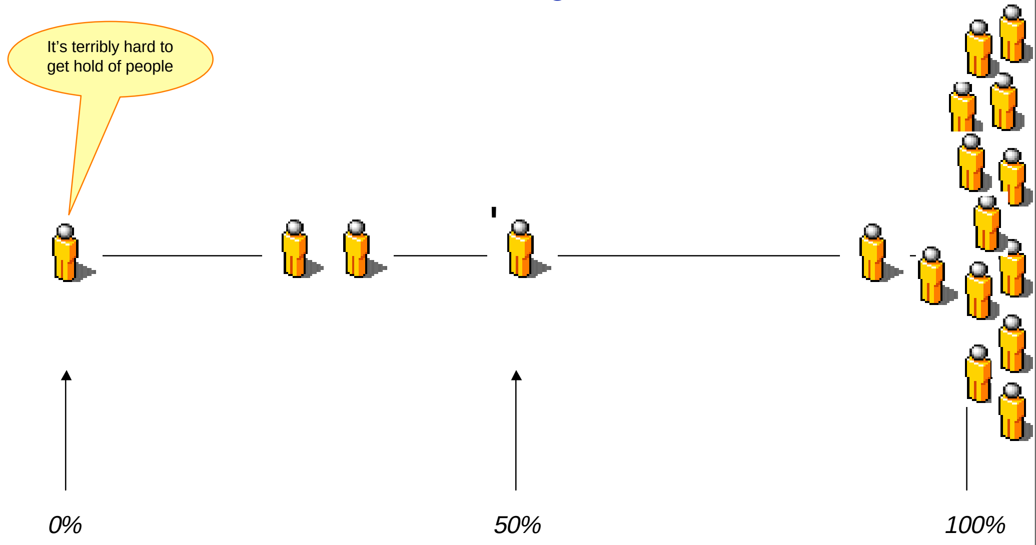


Fig. 71: Satisfaction with Reliability of the Water Supply

Eastleigh

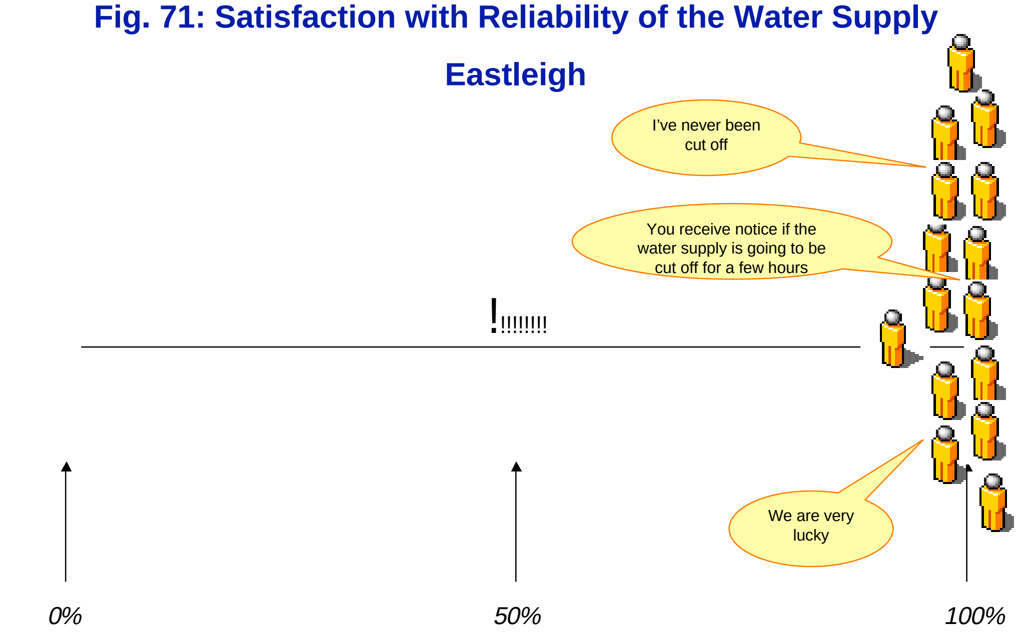


Fig. 72: Satisfaction with Drinking Water Quality

Lewes

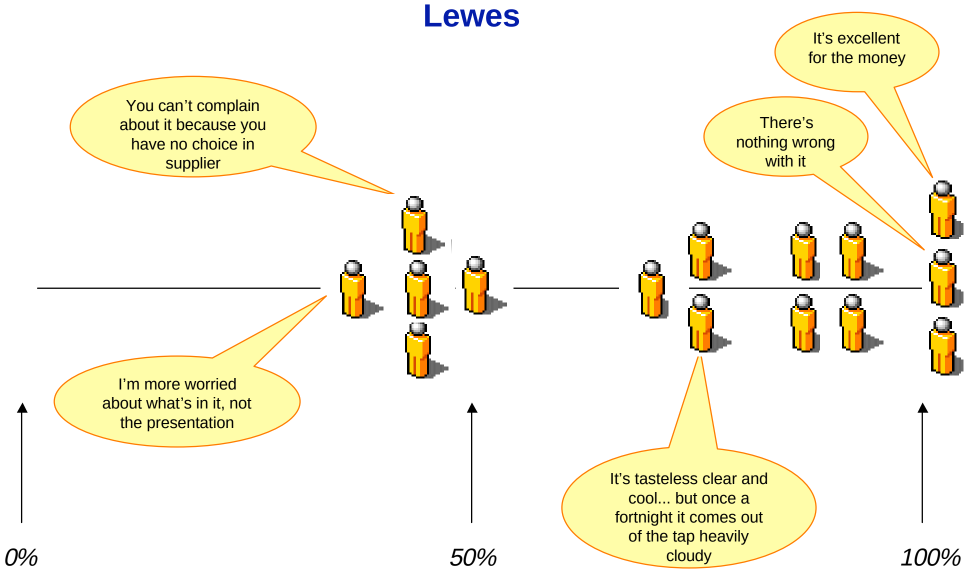


Fig. 73: Satisfaction with Sewer Flooding Prevention

Lewes

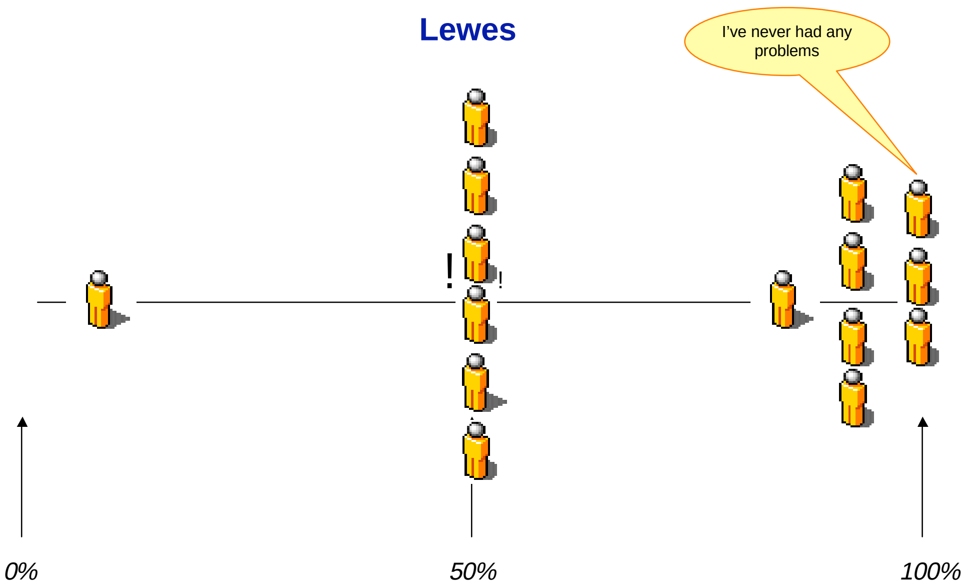


Fig. 74: Satisfaction with Maintenance of Assets

Lewes

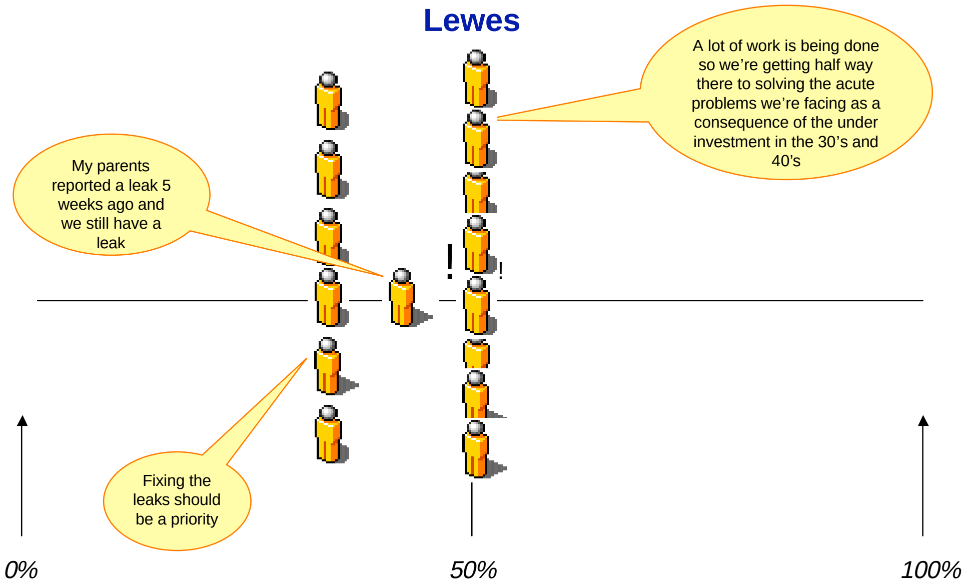


Fig. 75: Satisfaction with the Water Environment

Lewes

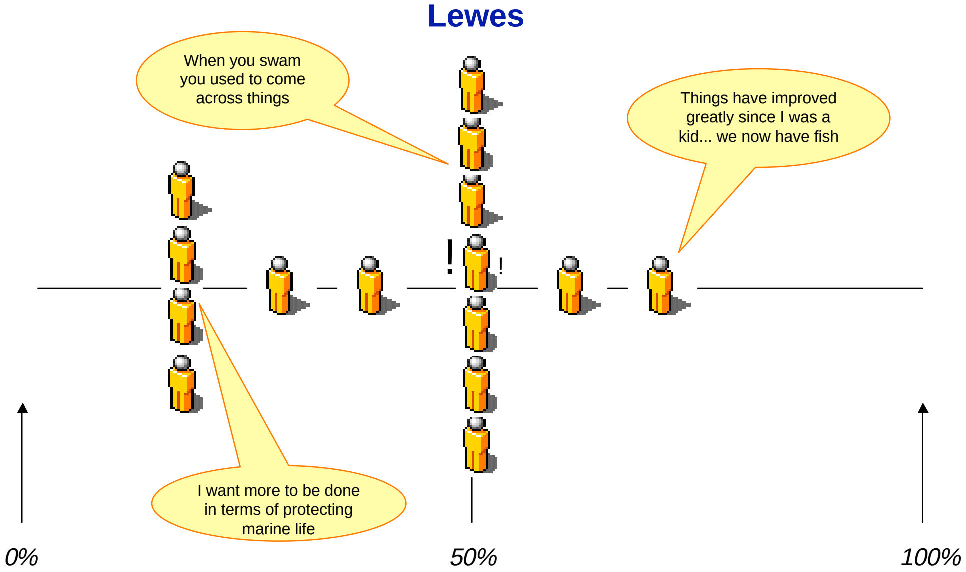


Fig. 76: Satisfaction with Customer Service

Lewes

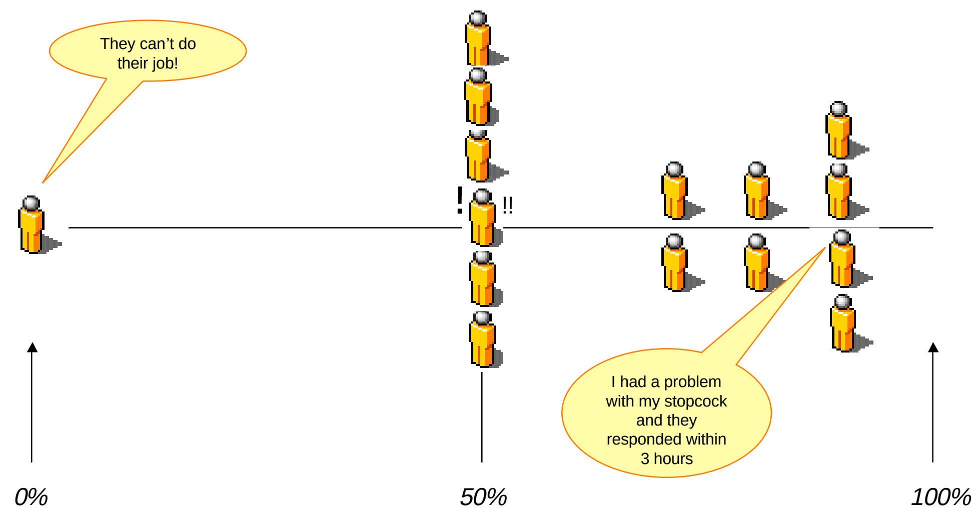


Fig. 77: Satisfaction with Reliability of the Water Supply

Lewes

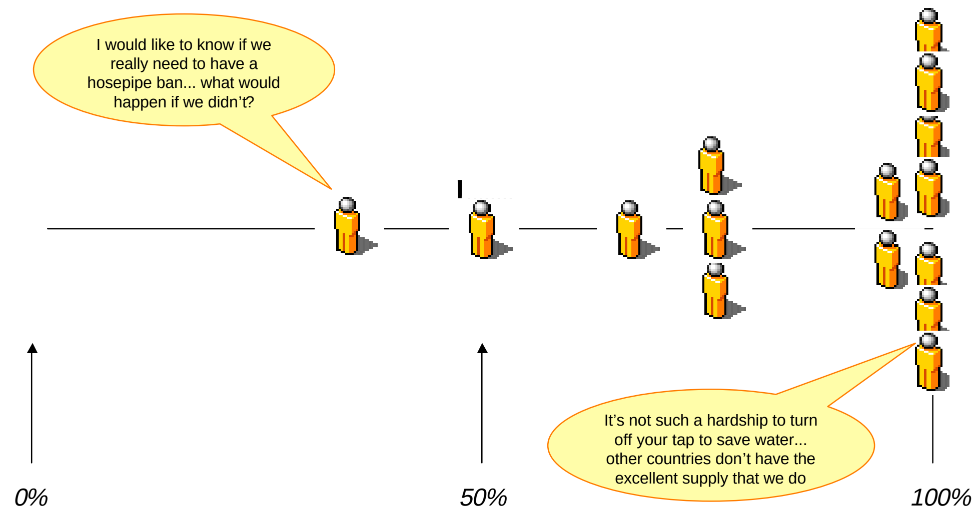


Fig. 78: Willingness to pay: Lewes

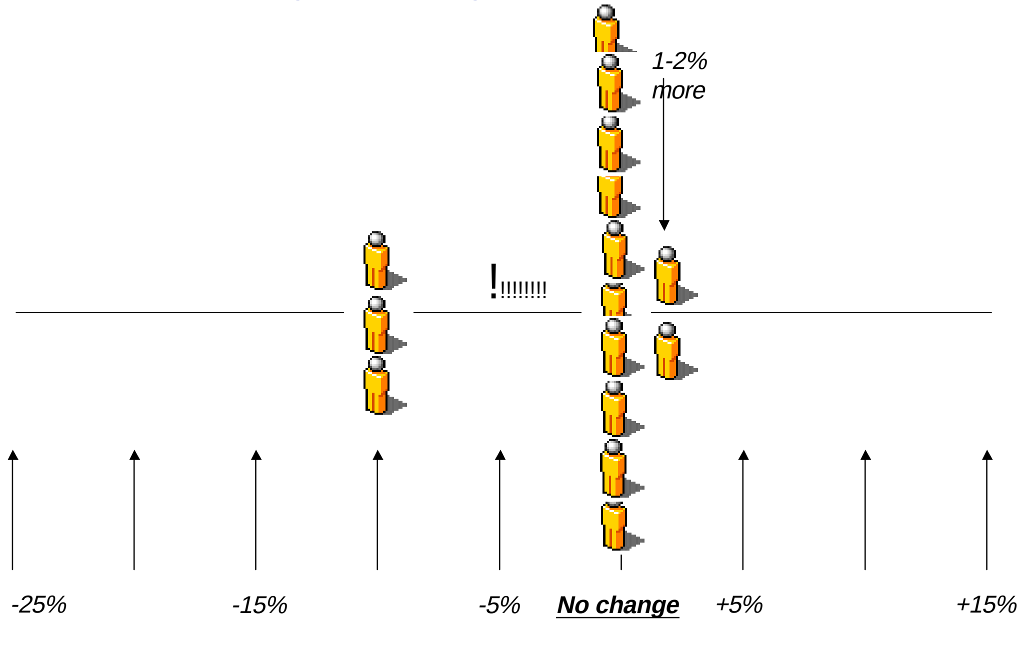
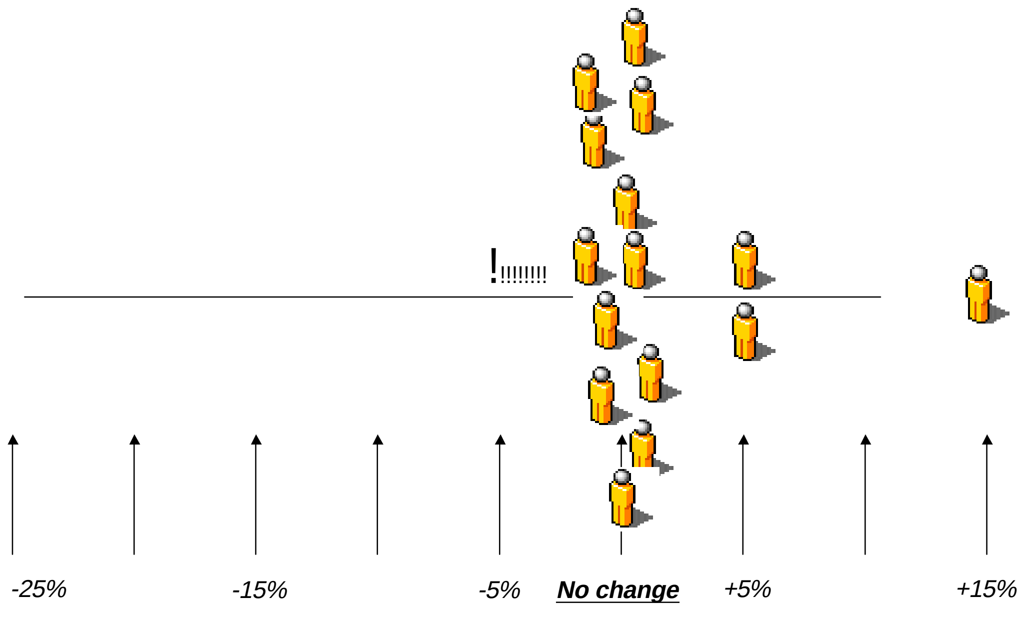
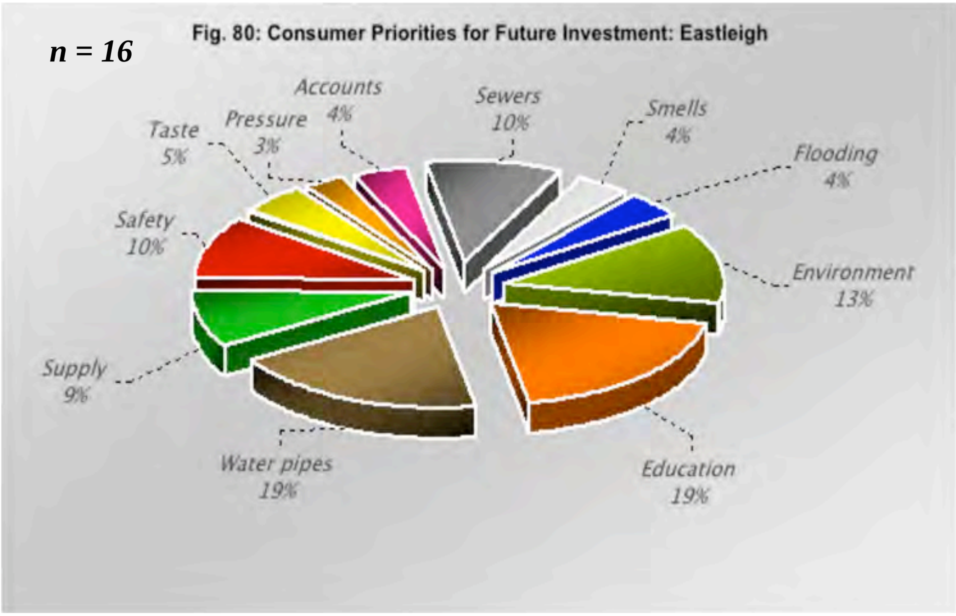
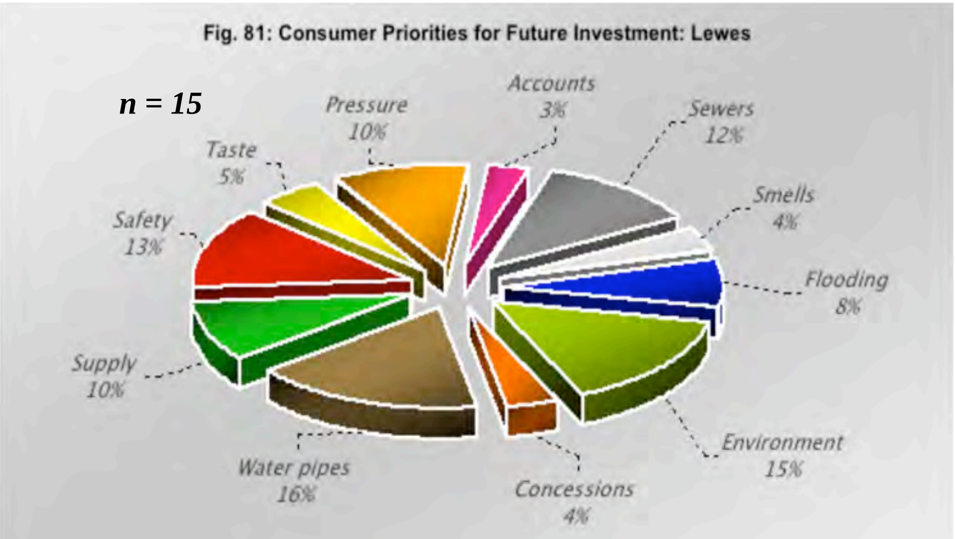


Fig. 79: Willingness to pay: Eastleigh







Concessions = social concessions for families and elderly

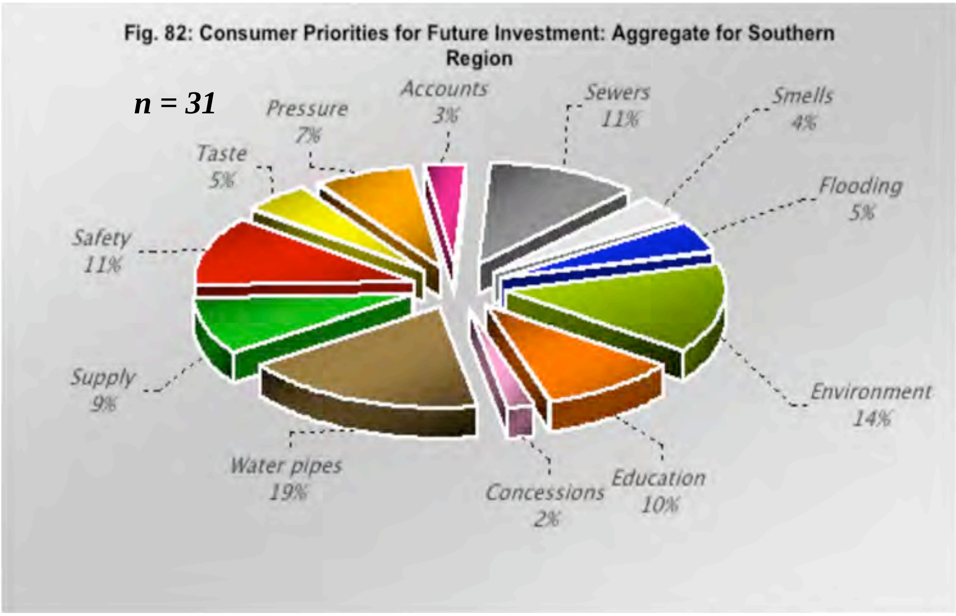


Fig. 82: Consumer Priorities for Future Investment: Aggregate for Southern Region
n = 31
Pressure 7%
Accounts 3%
Sewers 11%
Smells 4%
Taste 5%
Flooding 5%
Safety 11%
Supply 9%
Environment 14%
Water pipes 19%
Concessions 2%
Education 10%

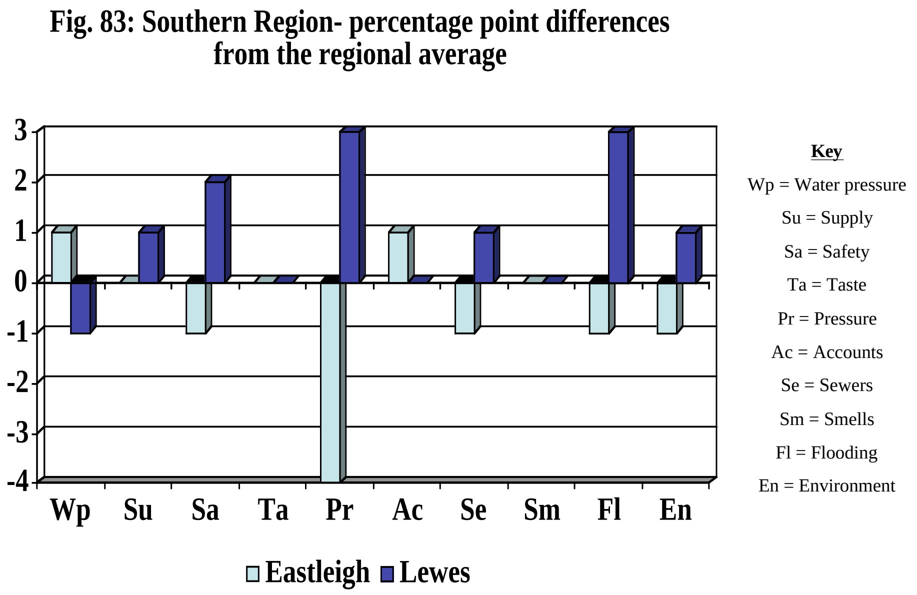


Fig. 83: Southern Region- percentage point differences from the regional average
3
2
1
0
-1
-2
-3
-4
Wp Su Sa Ta Pr Ac Se Sm Fl En
Eastleigh Lewes
Key
Wp = Water pressure
Su = Supply
Sa = Safety
Ta = Taste
Pr = Pressure
Ac = Accounts
Se = Sewers
Sm = Smells
Fl = Flooding
En = Environment

6.8 Thames

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

Problems with the social and urban environment were seen by many to be more pressing than natural environment problems. Litter, louts and knife crime were key concerns. There were complaints about waste and rubbish in local rivers but respondents were not clear whether the water company or the council were responsible for clearing it up.

For a good number the cost of living is an issue.

> *I'm living on a state pension and that's not keeping up with my other bills and that is quite frightening. You see everything else going up and you start to panic."*

Watford

Immigration was seen as a problem across the sample, but it was believed to be a particular problem in the south because of the pressure on housing. More housing was seen to be required which in turn was seen to put pressure on the sewerage system and increase demand for water. Hence investment to ensure future water supply was ranked as the most important investment priority.

There was some hostility to Thames Water in Tower Hamlets because the company was believed to favour the needs of the City of London and Canary Wharf over Tower Hamlets residents.

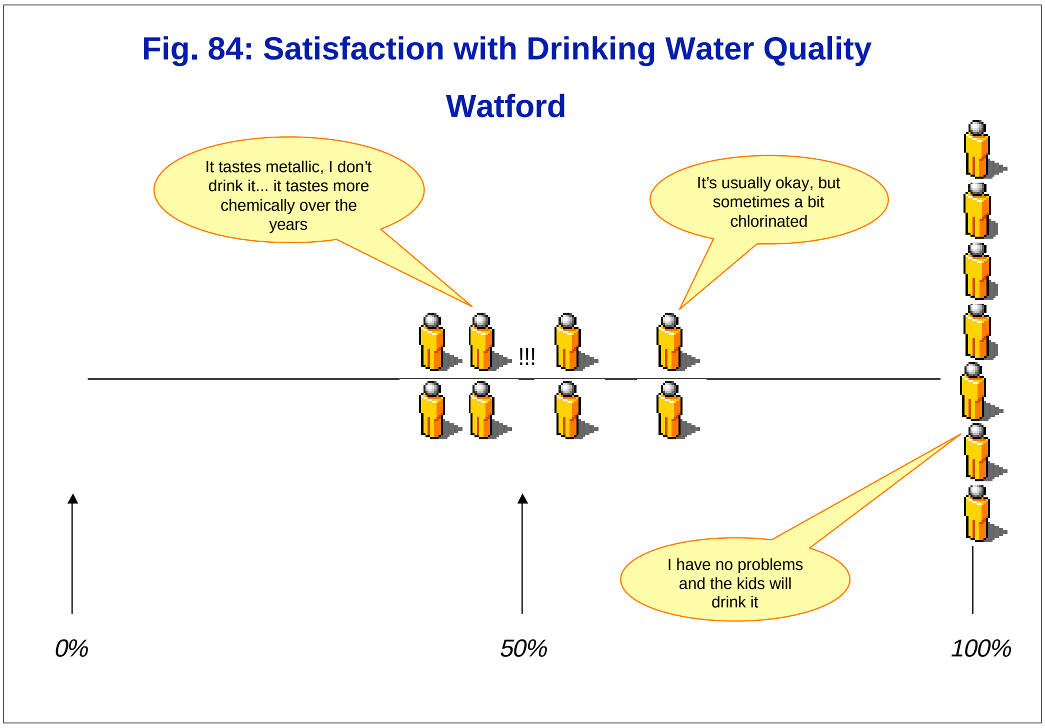


Fig. 84: Satisfaction with Drinking Water Quality
Watford
It tastes metallic, I don't drink it... it tastes more chemically over the years
It's usually okay, but sometimes a bit chlorinated
!!!
I have no problems and the kids will drink it
0%
50%
100%

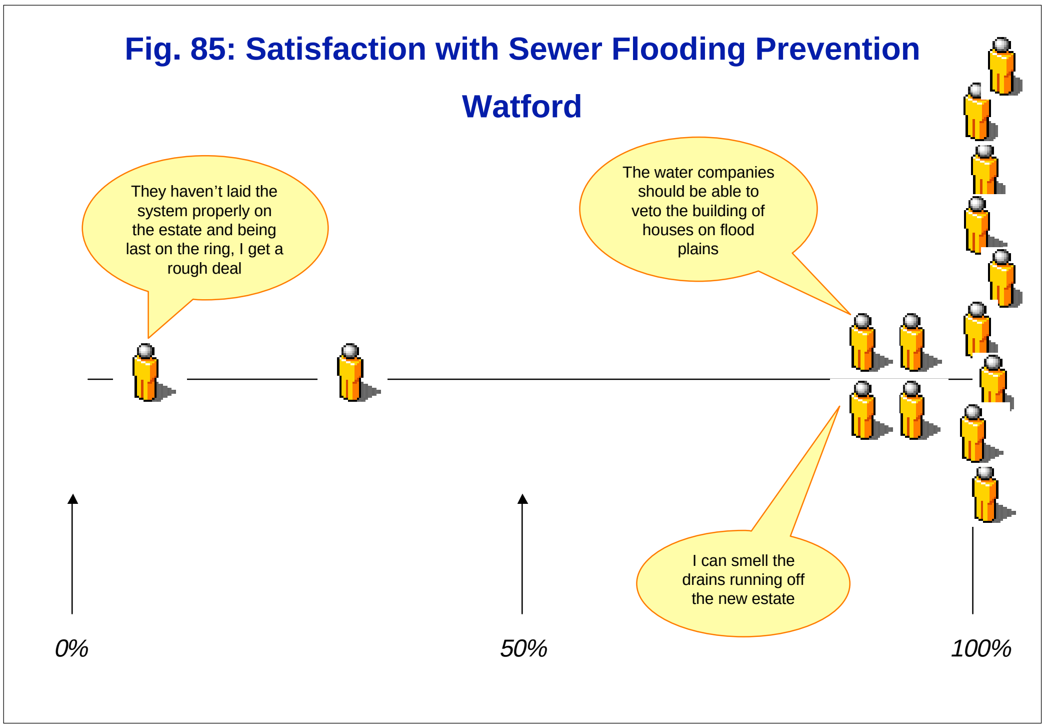


Fig. 85: Satisfaction with Sewer Flooding Prevention
Watford
They haven't laid the system properly on the estate and being last on the ring, I get a rough deal
The water companies should be able to veto the building of houses on flood plains
I can smell the drains running off the new estate
0%
50%
100%

Fig. 86: Satisfaction with Maintenance of Assets

Watford

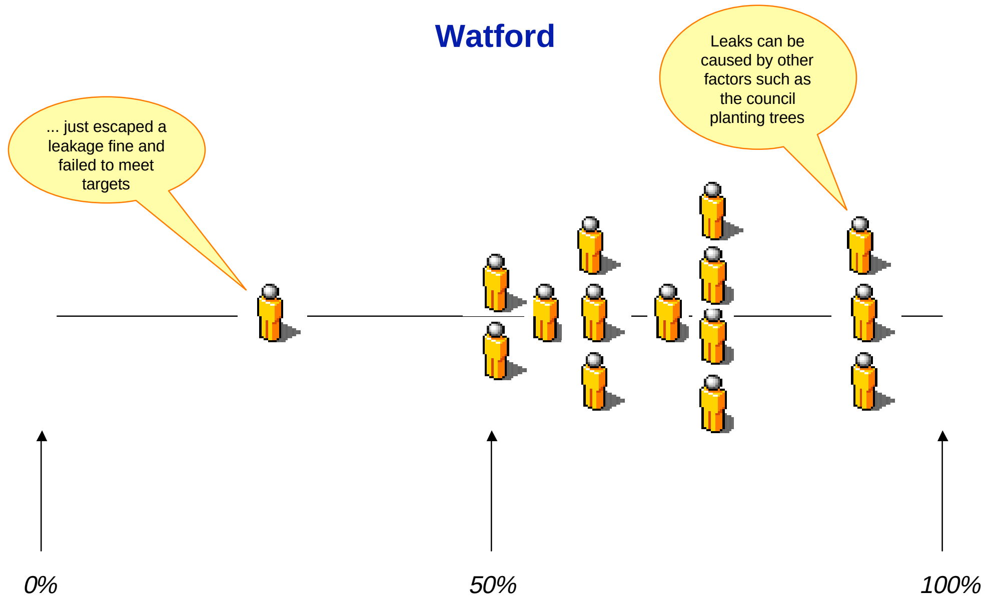


Fig. 87: Satisfaction with the Water Environment

Watford

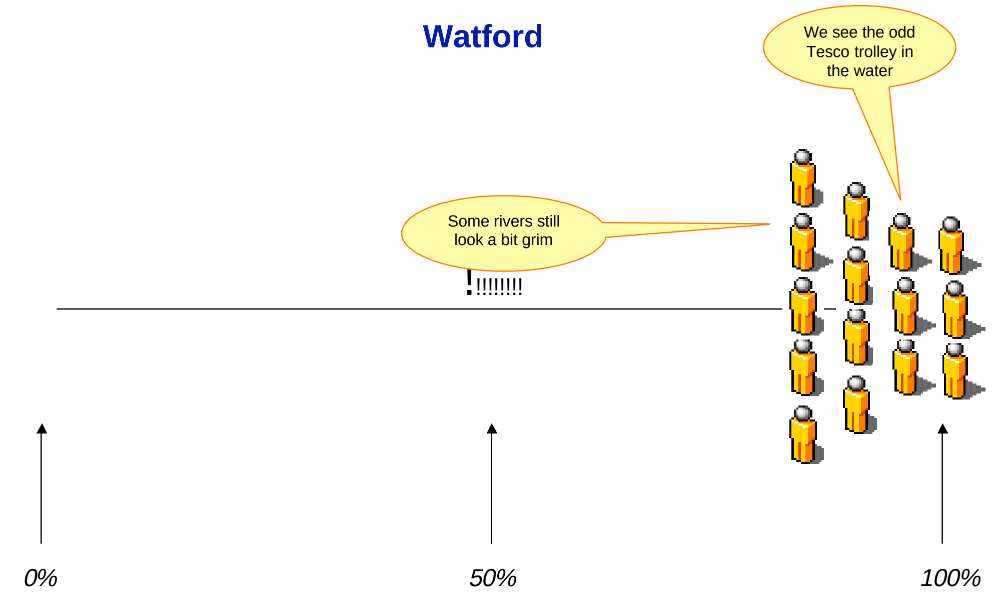


Fig. 88: Satisfaction with Customer Service

Watford

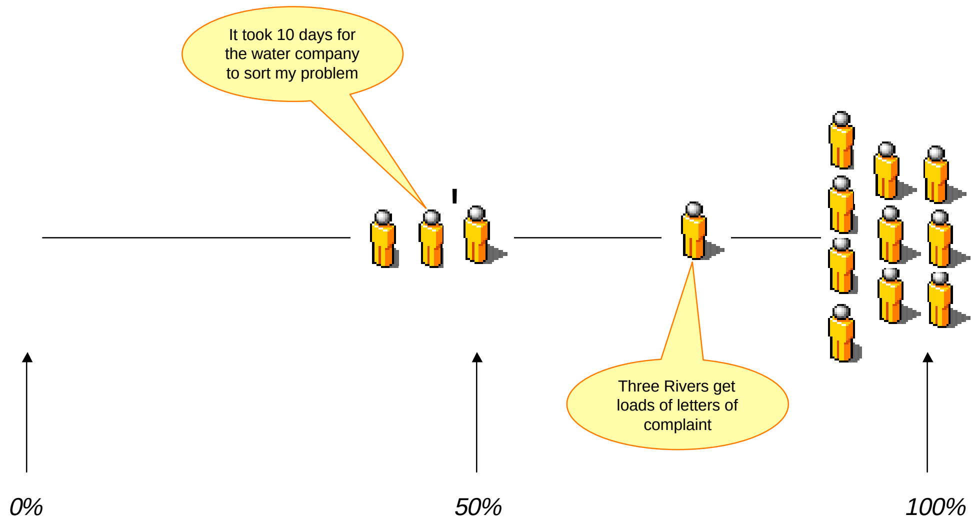


Fig. 89: Satisfaction with Reliability of the Water Supply

Watford

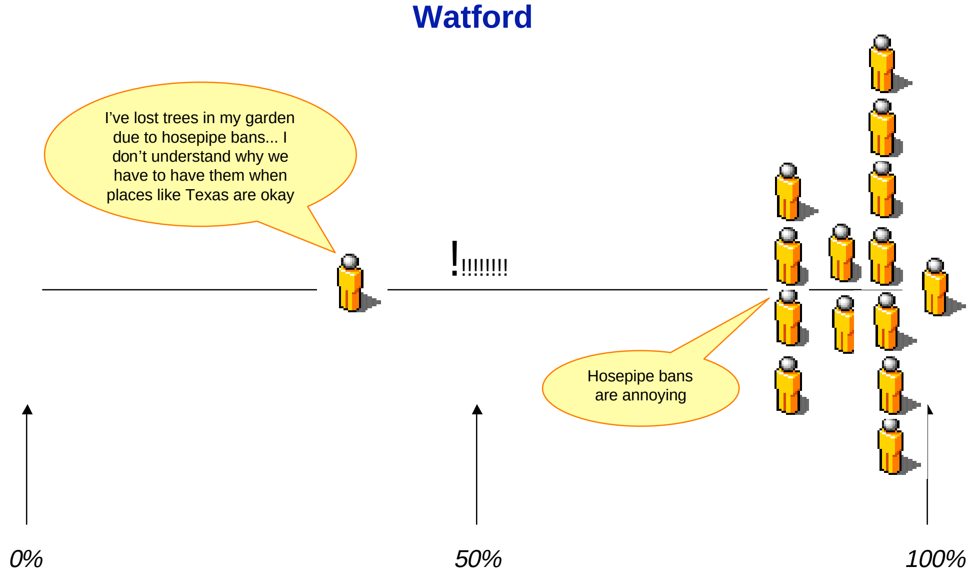


Fig. 90: Satisfaction with Drinking Water Quality

Tower Hamlets

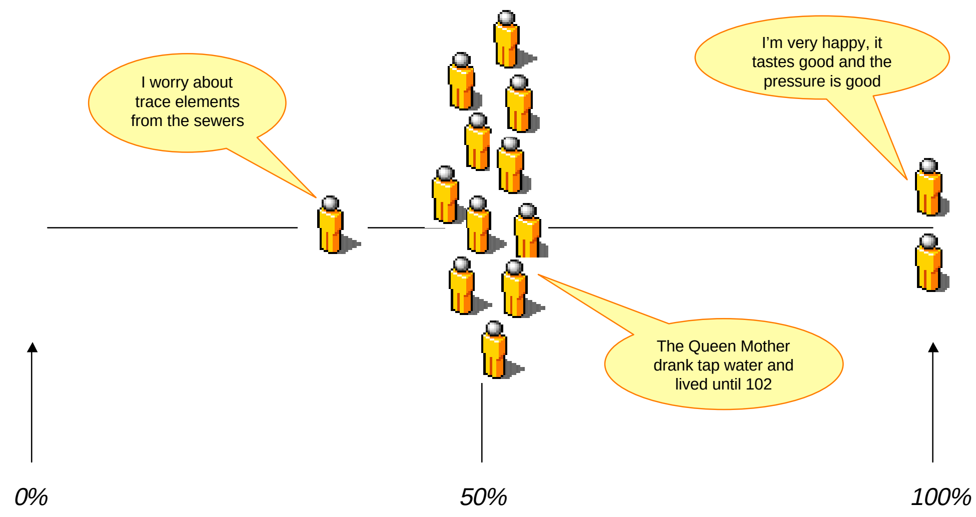


Fig. 91: Satisfaction with Sewer Flooding Prevention

Tower Hamlets

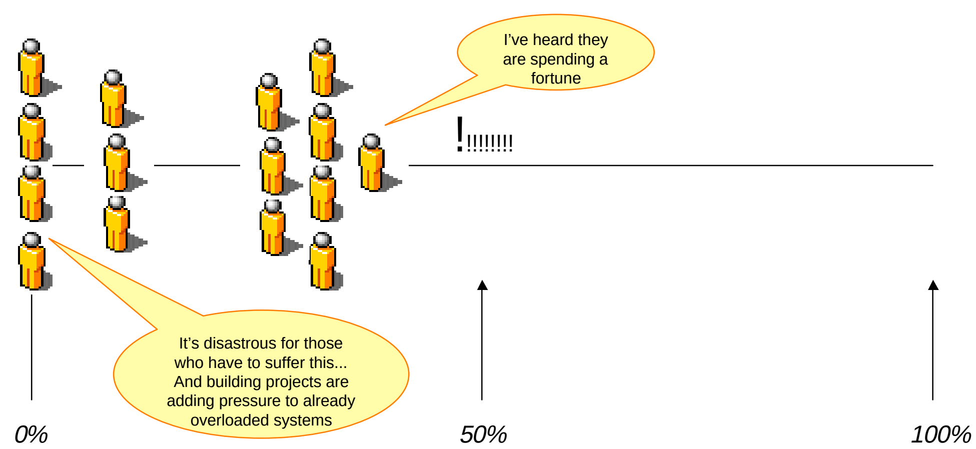


Fig. 92: Satisfaction with Maintenance of Assets

Tower Hamlets

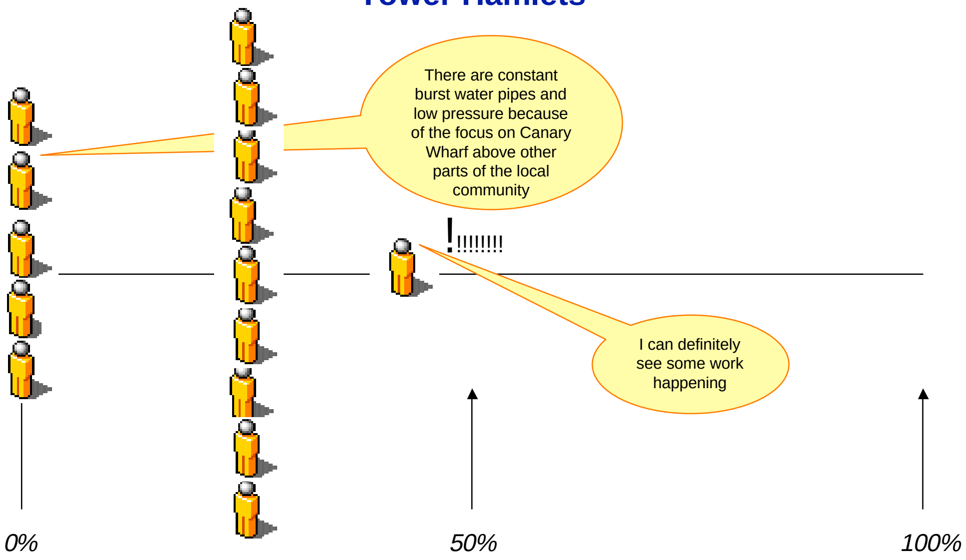


Fig. 93: Satisfaction with the Water Environment

Tower Hamlets

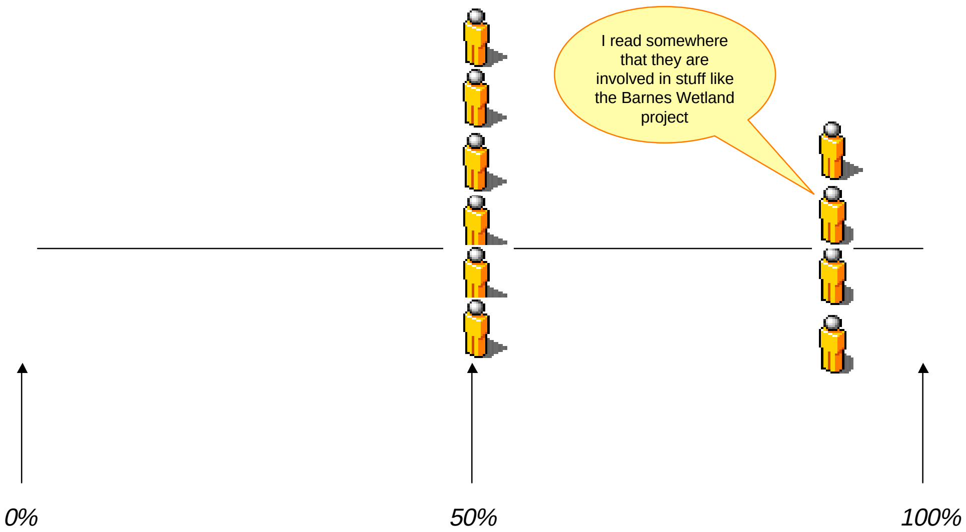


Fig. 94: Satisfaction with Customer Service

Tower Hamlets

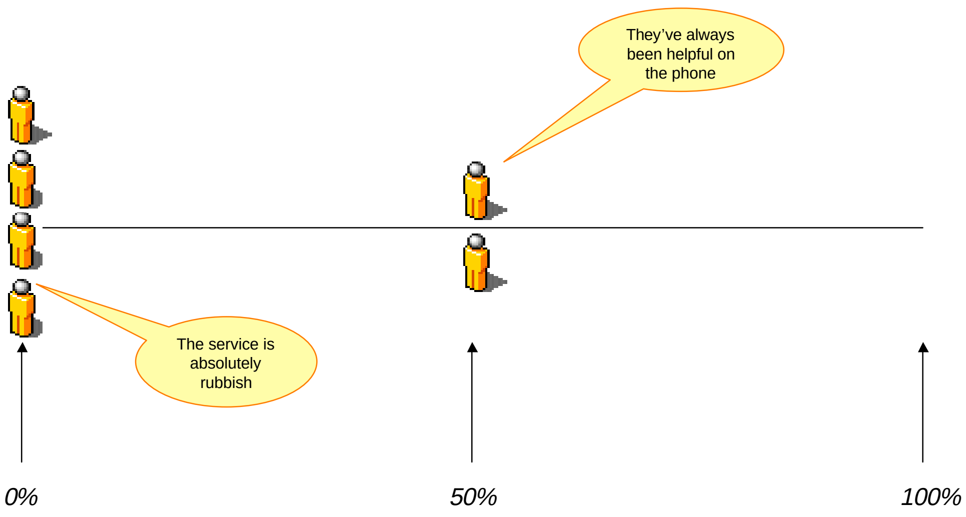
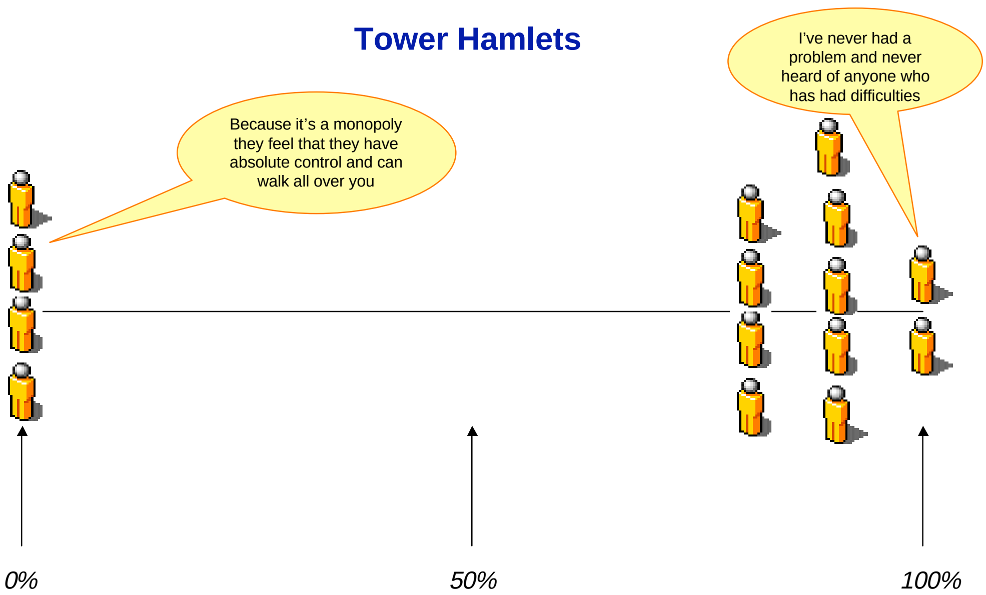


Fig. 95: Satisfaction with Reliability of the Water Supply

Tower Hamlets



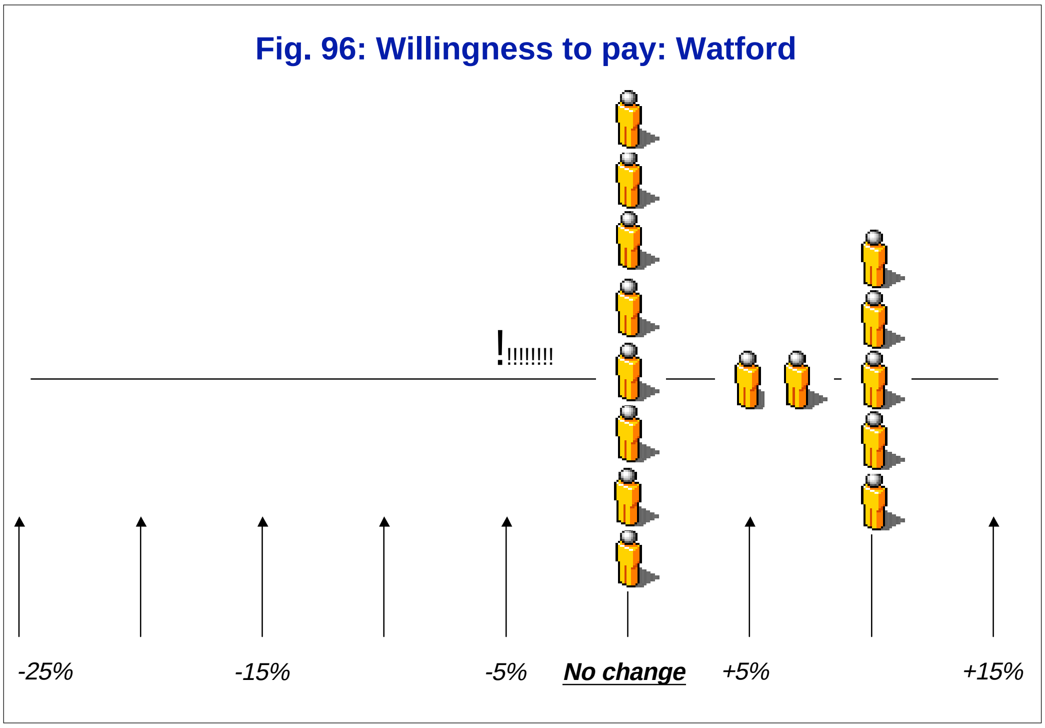


Fig. 96: Willingness to pay: Watford
!!!!!!!!!
-25%
-15%
-5%
No change
+5%
+15%

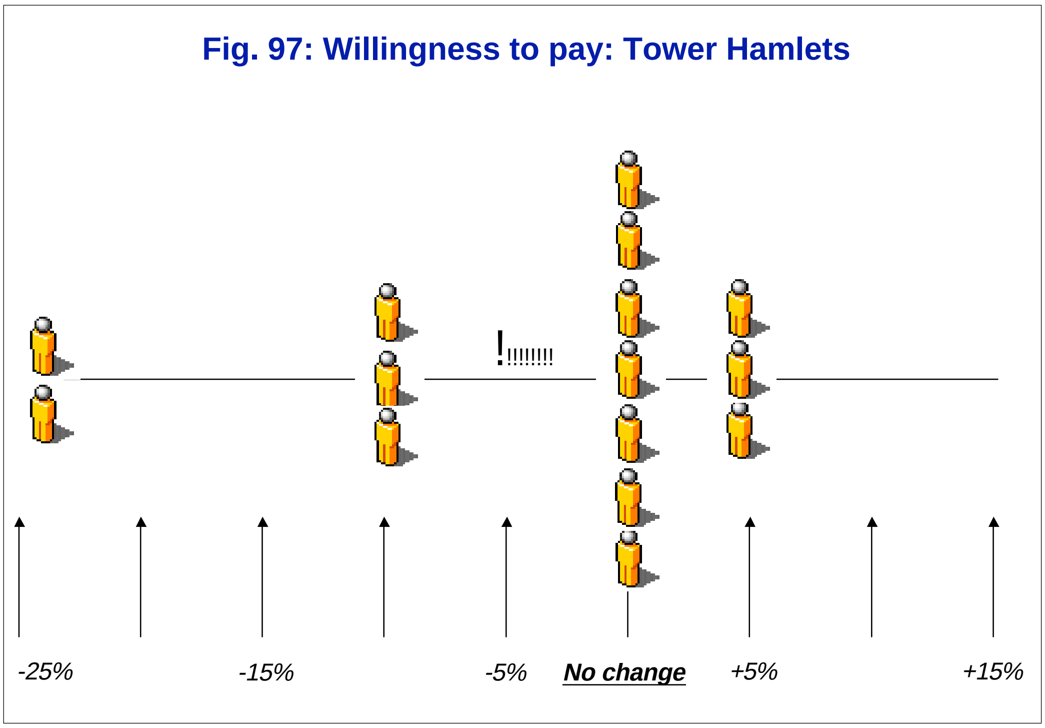


Fig. 97: Willingness to pay: Tower Hamlets
!!!!!!!!!
-25%
-15%
-5%
No change
+5%
+15%

7

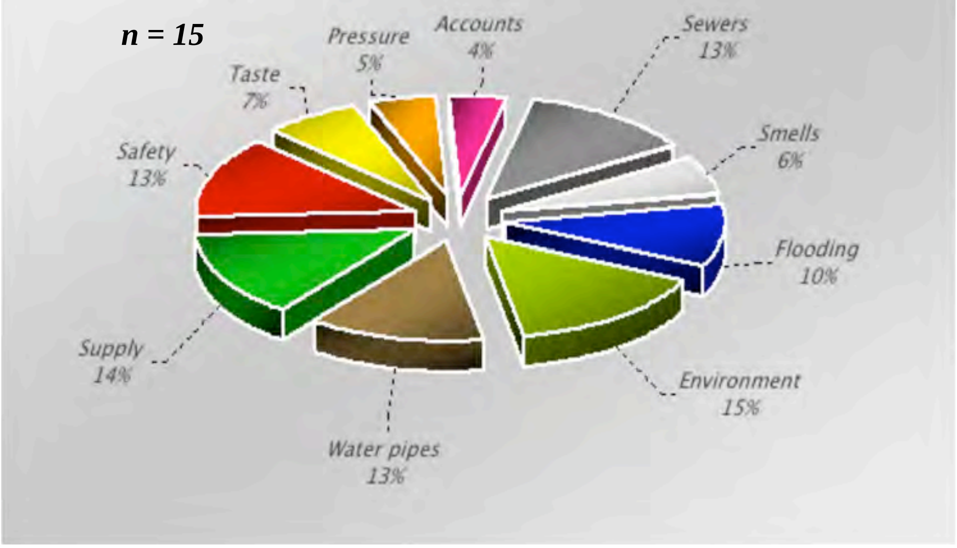


Fig. 98: Consumer Priorities for Future Investment: Watford

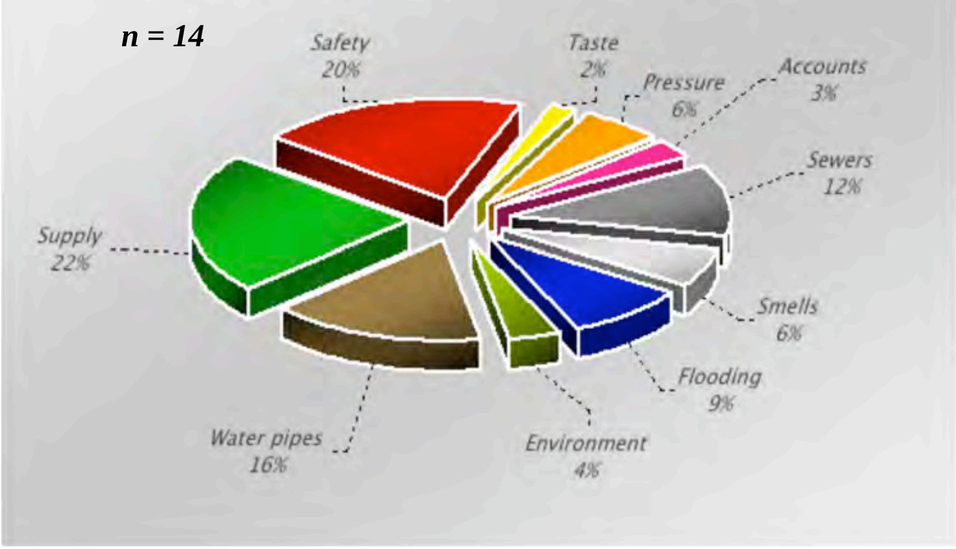


Fig. 99: Consumer Priorities for Future Investment: Tower Hamlets

Fig. 100: Consumer Priorities for Future Investment: Aggregate for Thames Region

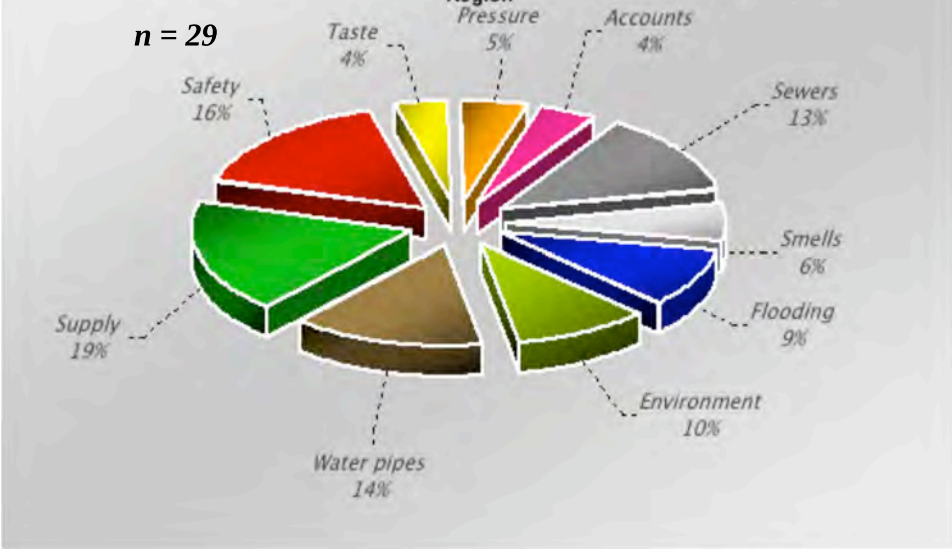
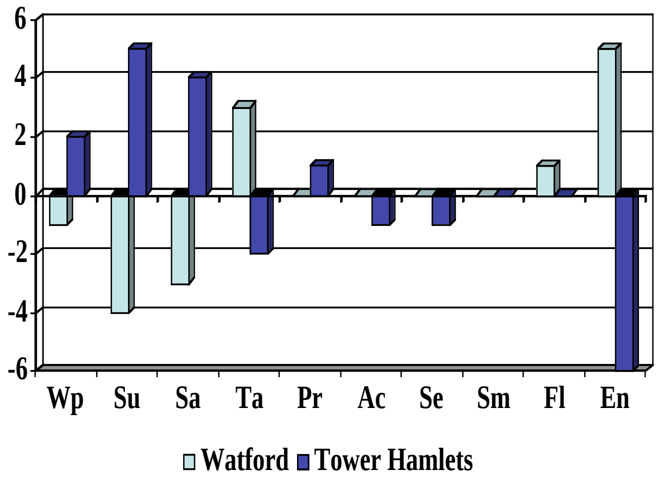


Fig. 101: Thames Region - percentage point differences from the regional average



Key

Wp = Water pressure

Su = Supply

Sa = Safety

Ta = Taste

Pr = Pressure

Ac = Accounts

Se = Sewers

Sm = Smells

Fl = Flooding

En = Environment

6.9 Midlands

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

There was considerable resentment triggered by reports of Severn Trent misreporting data. Deliberation and research resulted in most respondents ending the research process with a lower opinion of Severn Trent than when they started.

Some quoted reports from 2006:

> *"Severn Trent Water ordered to cut bills by £42m after overcharging."*
>
> Nottingham

South Staffordshire Water fared better:

> *It is good to see South Staffordshire water supplies water at a much cheaper cost than the average for the UK, but it also scores extremely well on most of the levels of service statistics."*
>
> Walsall

There was some sense that Severn Trent Water was less efficient than it should be, in particular in customer service and communications.

> *"My neighbour did fliers herself and went along the road telling everybody not to put napkins down the toilet. But it was her [who did it] not the water board."*
>
> Walsall

One respondent reported that they missed a customer relations facility which had been closed.

> *"They used to have a very informative visitor centre at the reservoir near Derby but it's now been shut. The kids used to love it … and you could cycle around the reservoir."*
>
> Nottingham

Fig. 102: Satisfaction with Drinking Water Quality

Walsall

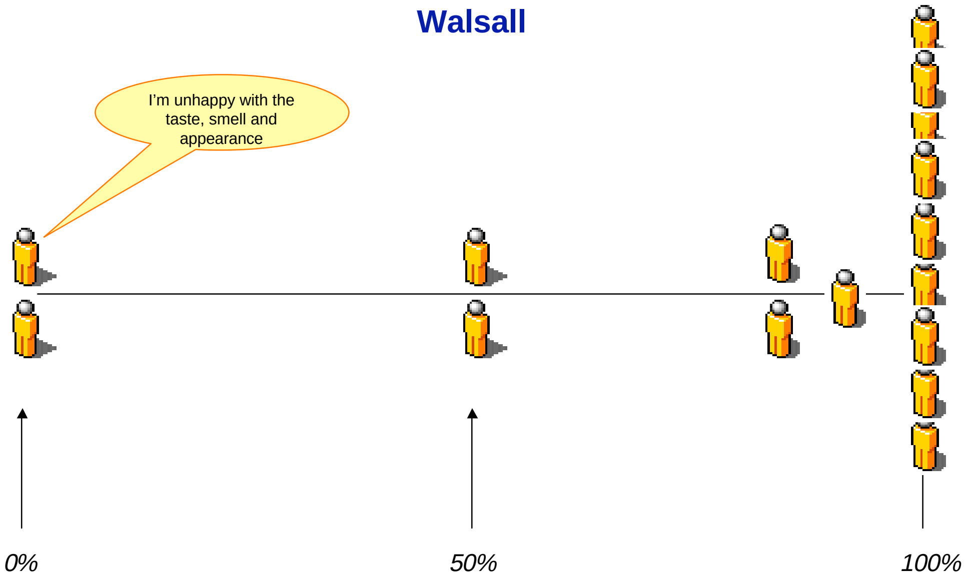


Fig. 103: Satisfaction with Sewer Flooding Prevention

Walsall

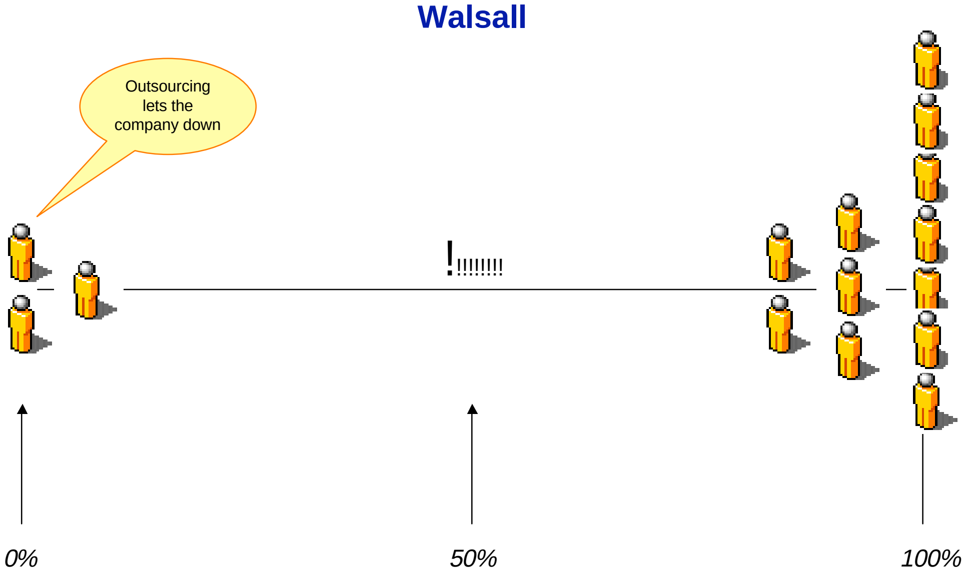


Fig. 104: Satisfaction with Maintenance of Assets Walsall

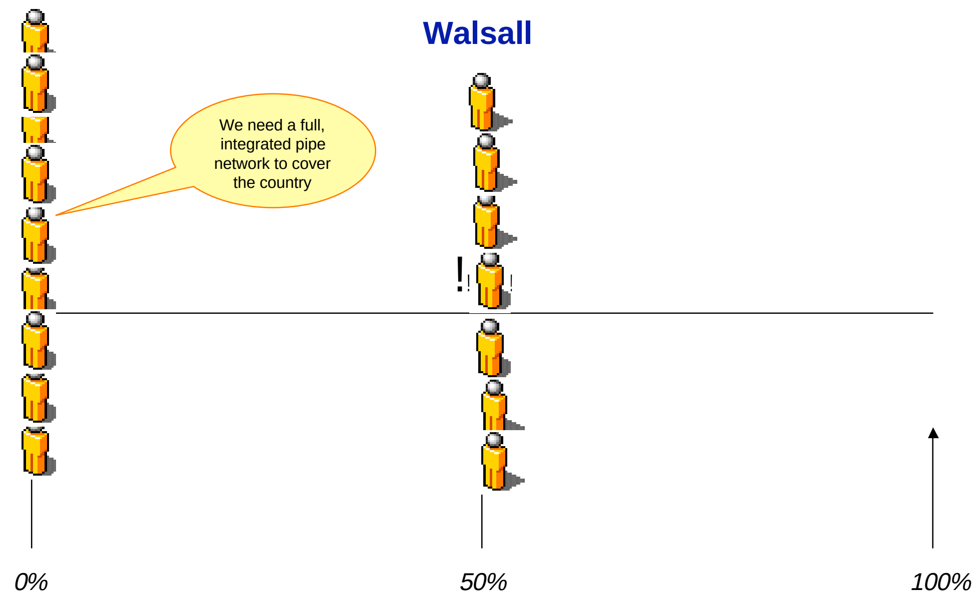
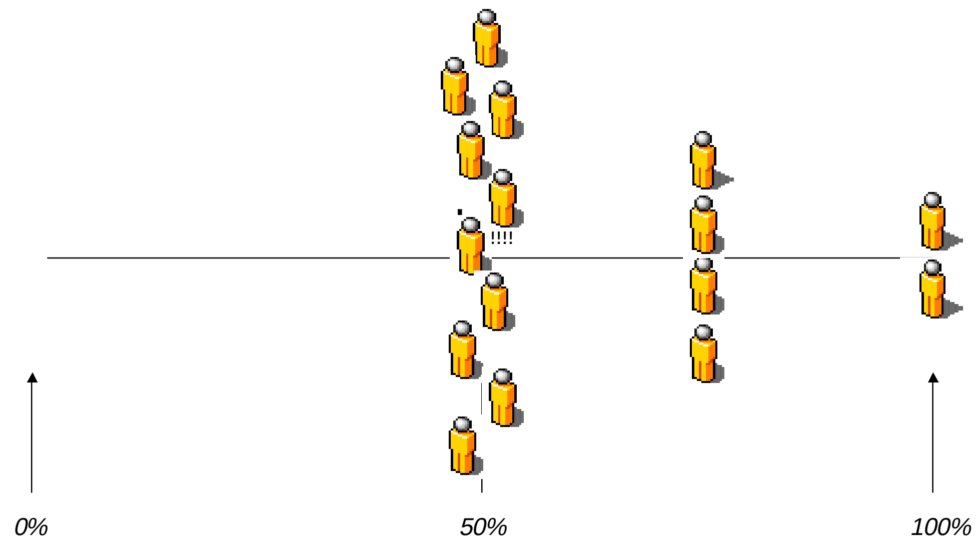


Fig. 105: Satisfaction with the Water Environment Walsall



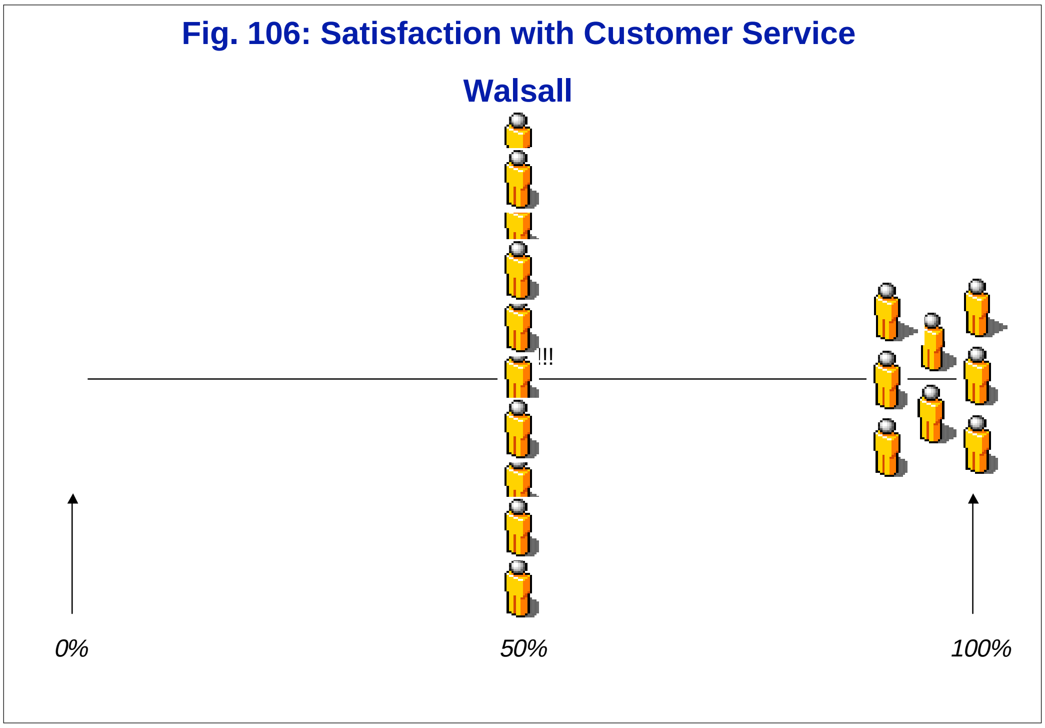


Fig. 106: Satisfaction with Customer Service
Walsall
!!!
0%
50%
100%

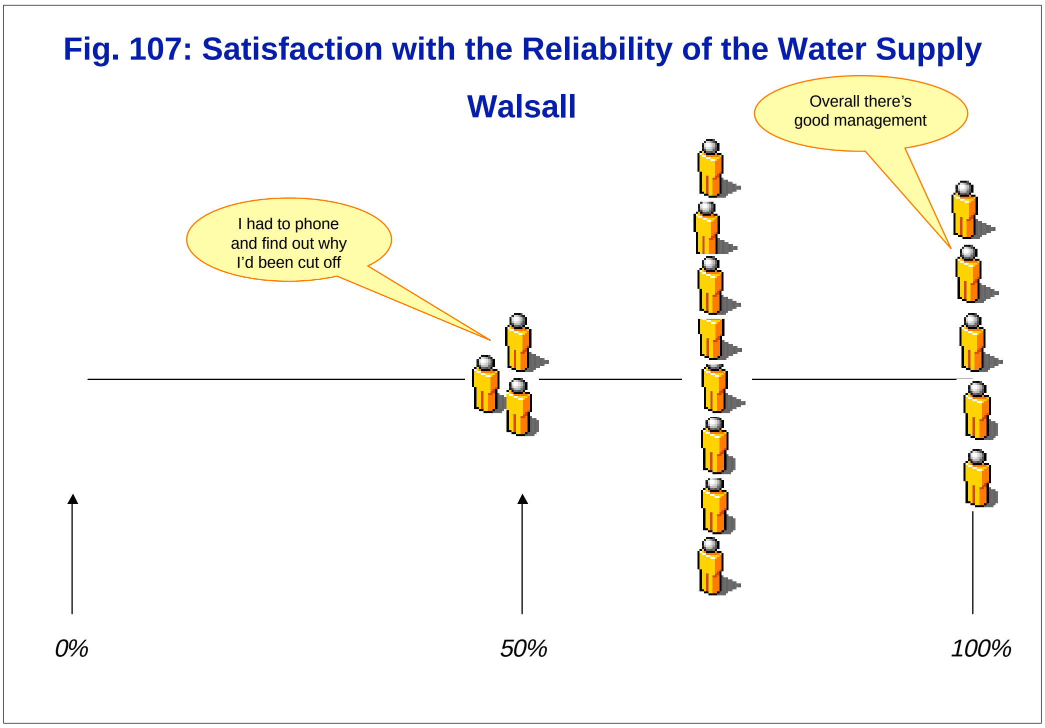


Fig. 107: Satisfaction with the Reliability of the Water Supply
Walsall
Overall there's good management
I had to phone and find out why I'd been cut off
0%
50%
100%

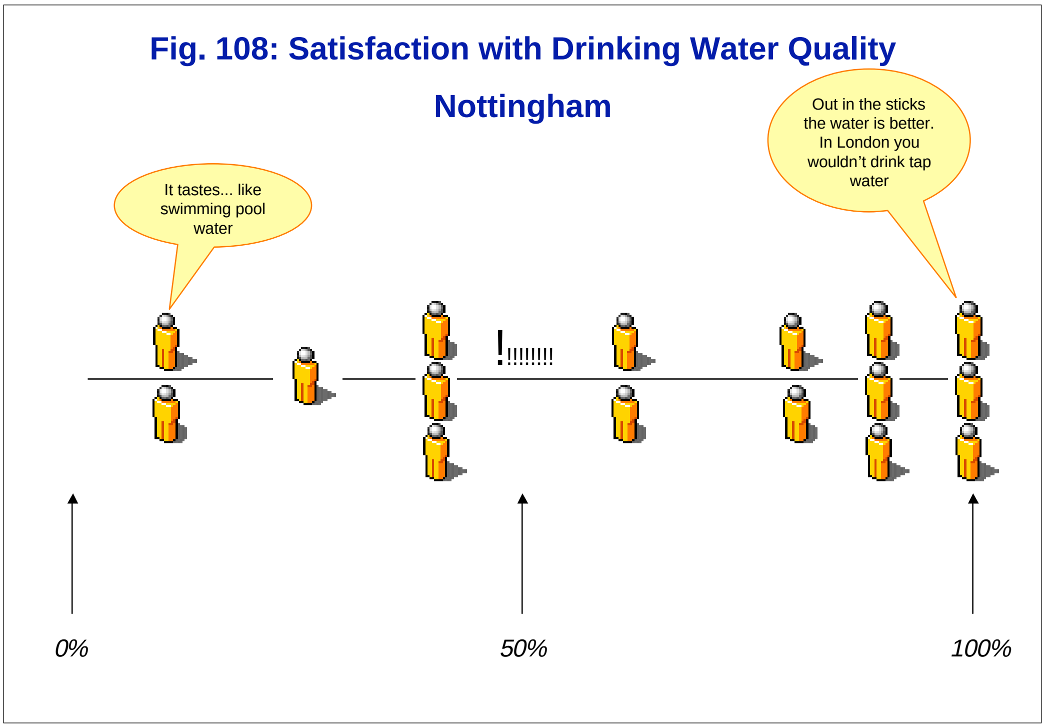


Fig. 108: Satisfaction with Drinking Water Quality
Nottingham
It tastes... like swimming pool water
Out in the sticks the water is better. In London you wouldn't drink tap water
!!!!!!!!!
0%
50%
100%

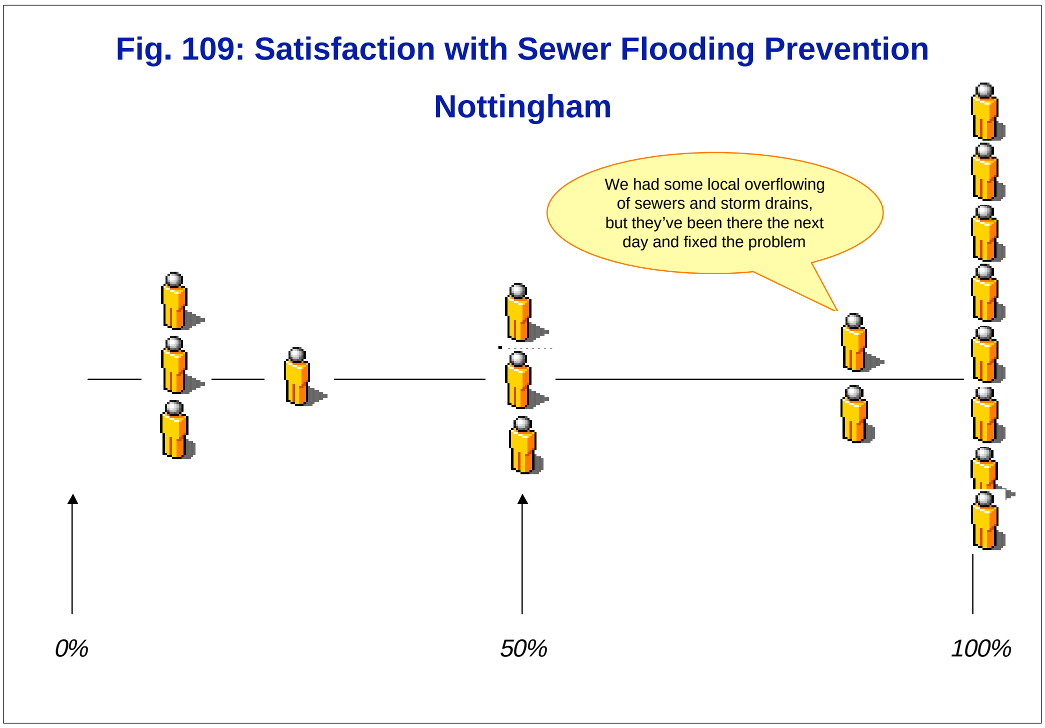


Fig. 109: Satisfaction with Sewer Flooding Prevention
Nottingham
We had some local overflowing of sewers and storm drains, but they've been there the next day and fixed the problem
0%
50%
100%

Fig. 110: Satisfaction with Maintenance of Assets

Nottingham

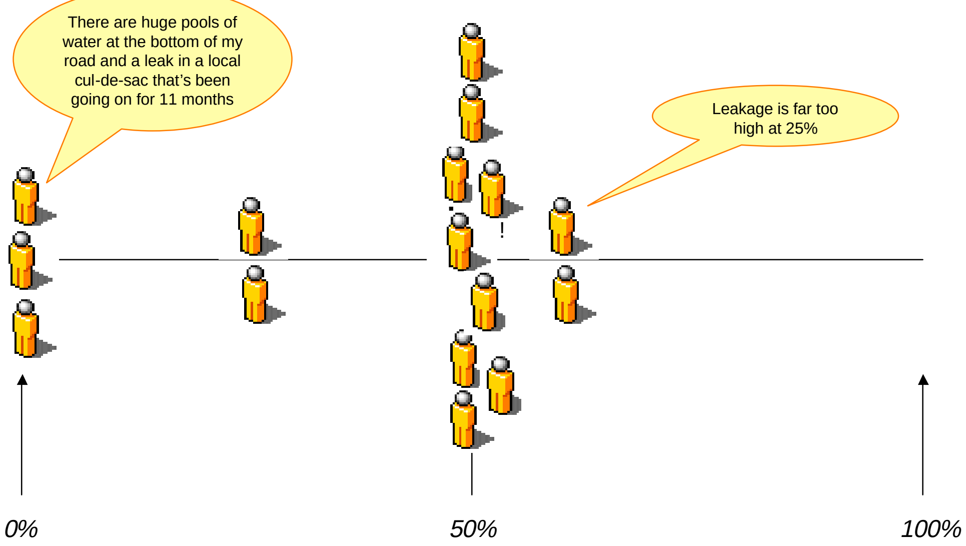
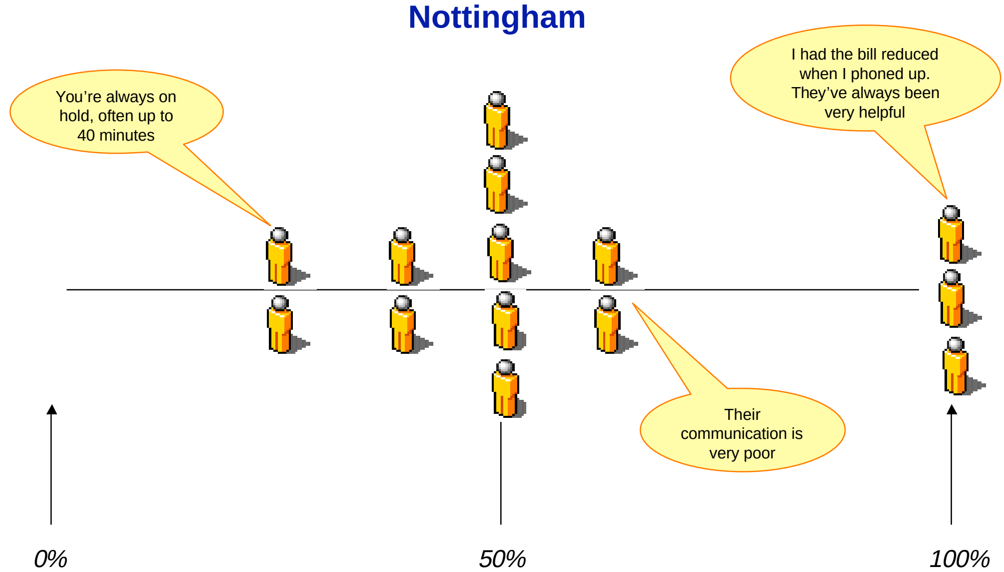


Fig. 111: Satisfaction with Customer Service

Nottingham



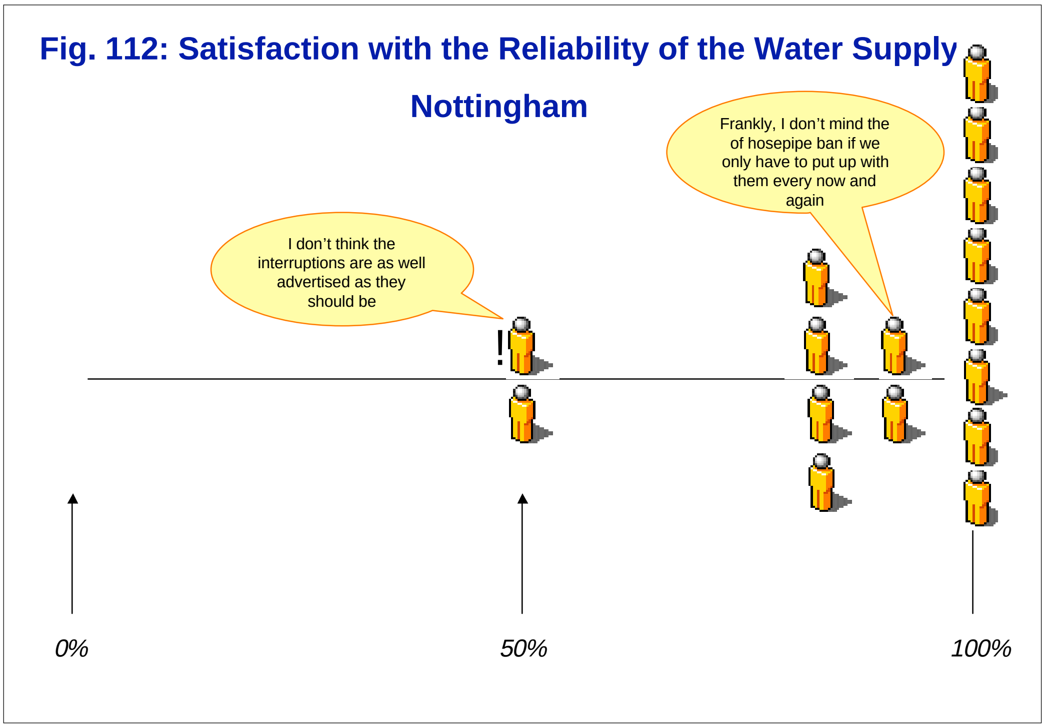


Fig. 112: Satisfaction with the Reliability of the Water Supply
Nottingham
Frankly, I don't mind the of hosepipe ban if we only have to put up with them every now and again
I don't think the interruptions are as well advertised as they should be
!
0%
50%
100%

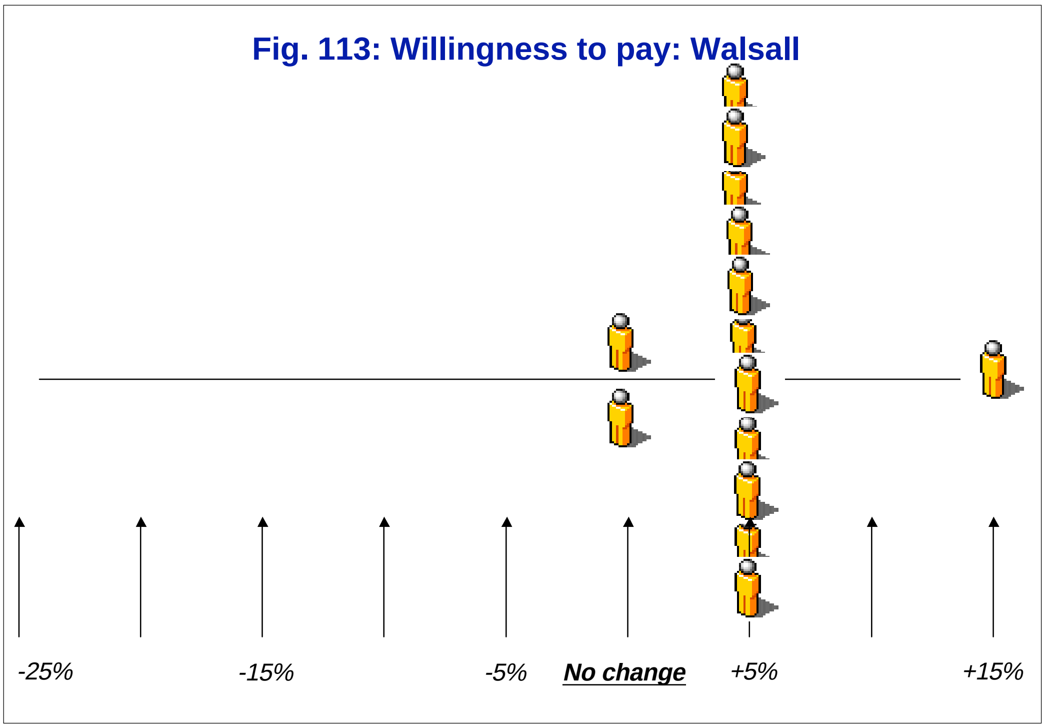


Fig. 113: Willingness to pay: Walsall
-25%
-15%
-5%
No change
+5%
+15%

Fig. 114: Willingness to pay: Nottingham

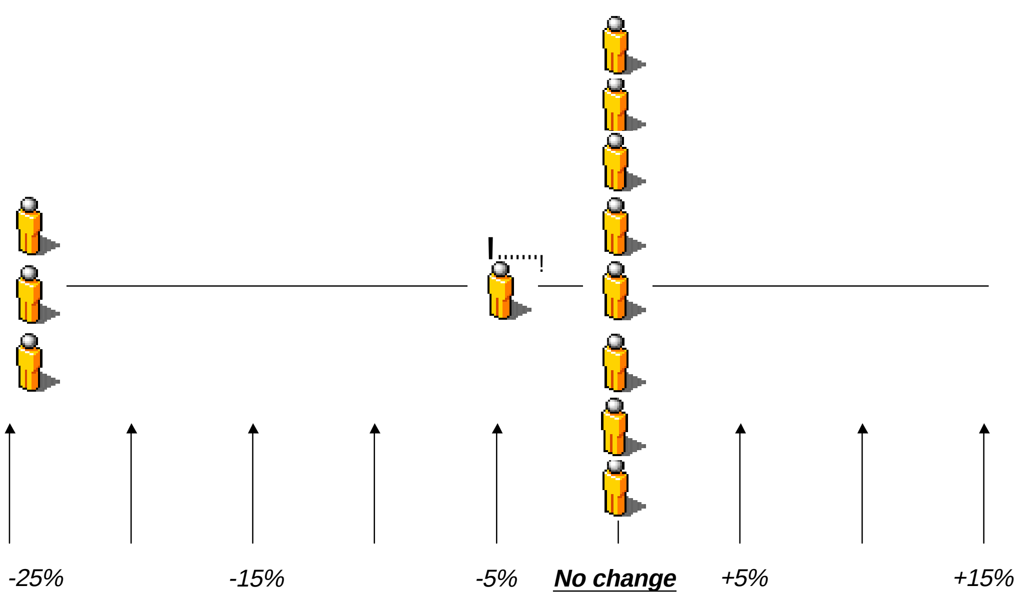
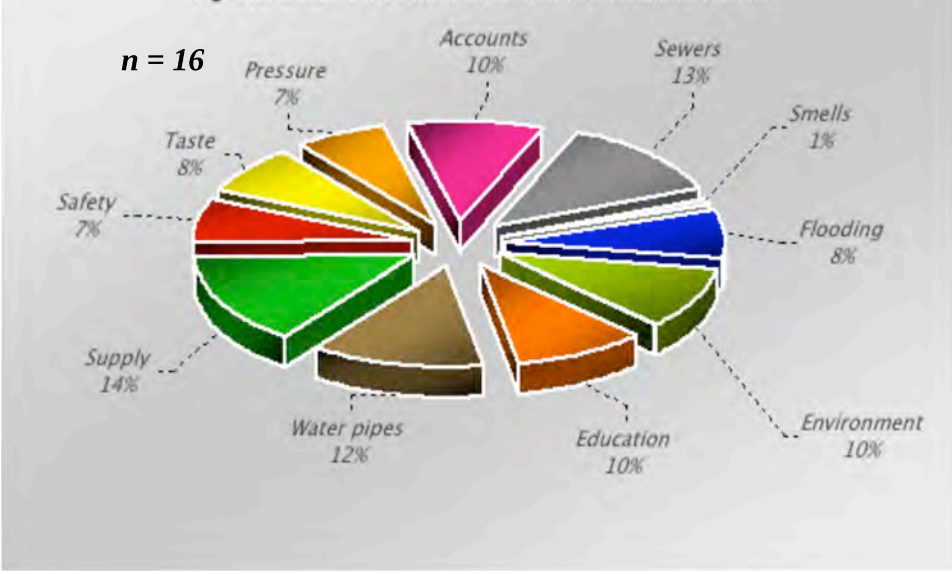


Fig. 115: Consumer's Priorities for Future Invesment: Walsall



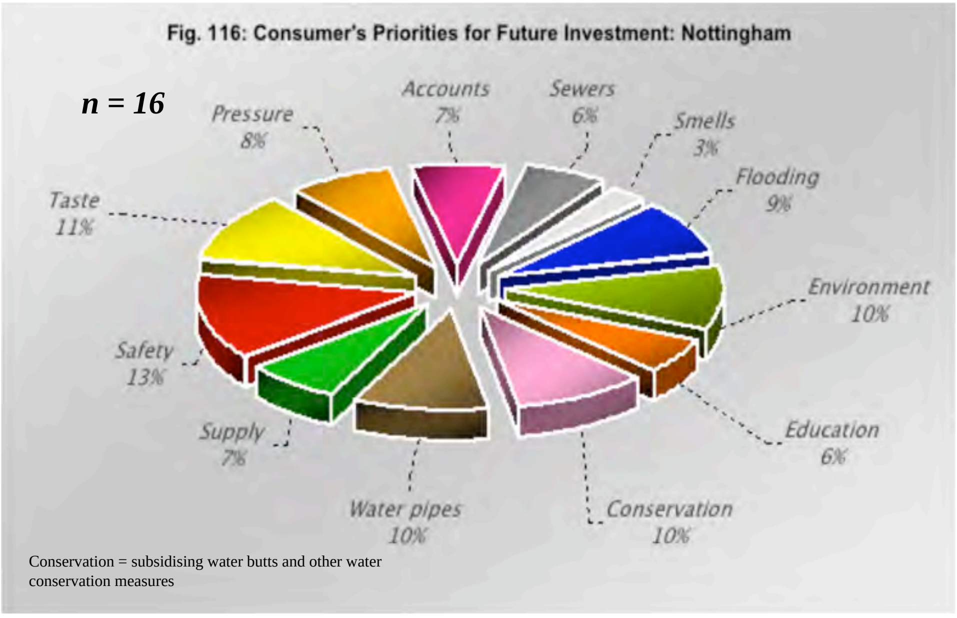


Fig. 116: Consumer's Priorities for Future Investment: Nottingham
n = 16
Pressure
8%
Accounts
7%
Sewers
6%
Smells
3%
Flooding
9%
Taste
11%
Environment
10%
Safety
13%
Education
6%
Supply
7%
Water pipes
10%
Conservation
10%
Conservation = subsidising water butts and other water conservation measures

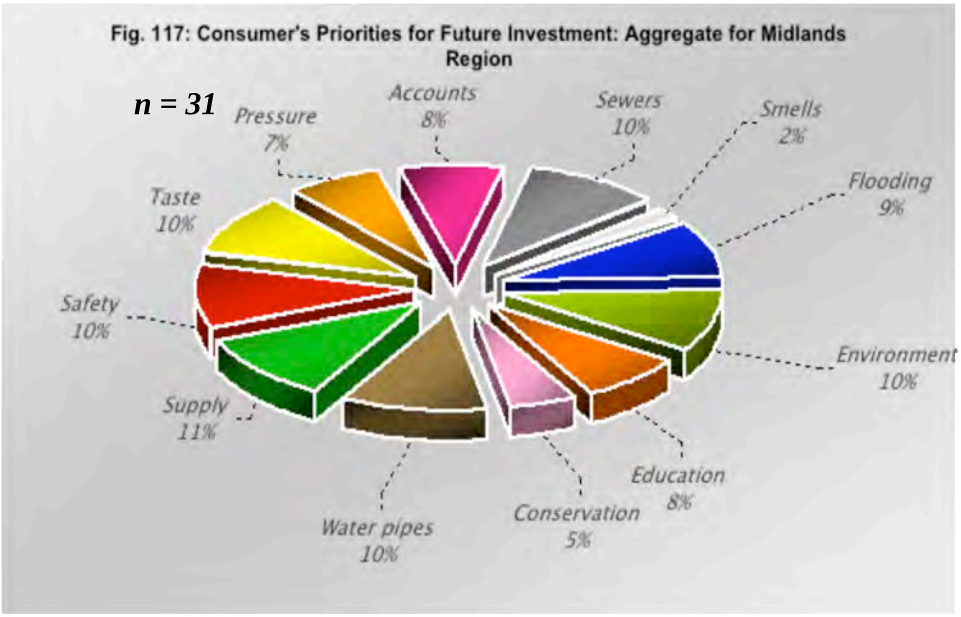


Fig. 117: Consumer's Priorities for Future Investment: Aggregate for Midlands Region
n = 31
Pressure
7%
Accounts
8%
Sewers
10%
Smells
2%
Flooding
9%
Taste
10%
Safety
10%
Environment
10%
Supply
11%
Education
8%
Conservation
5%
Water pipes
10%

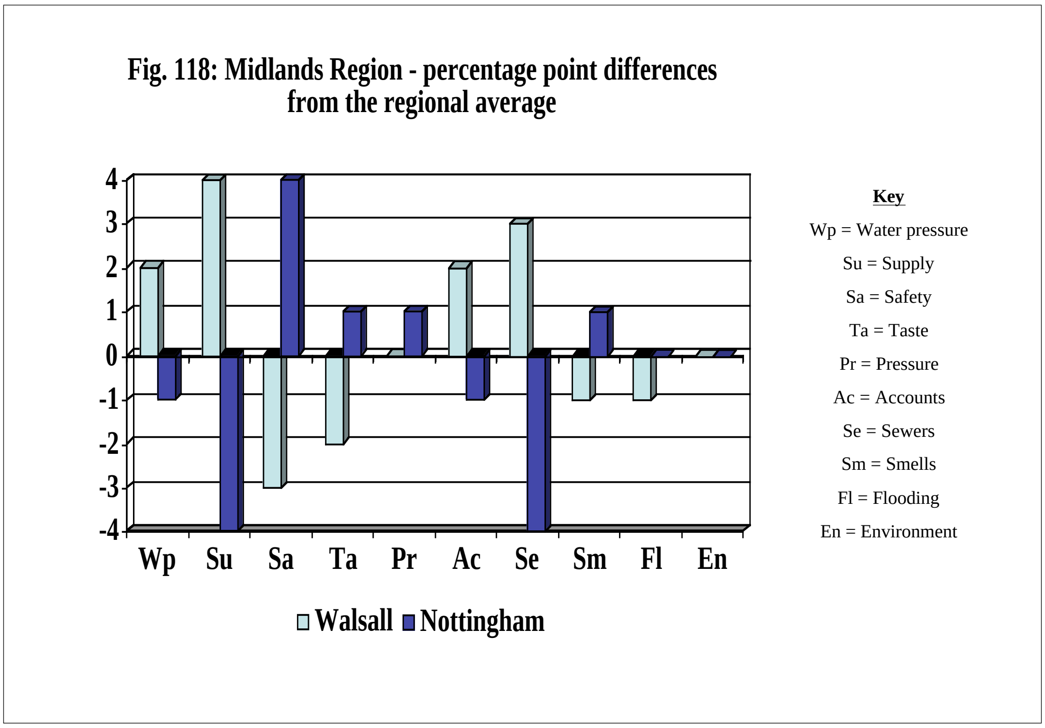


Fig. 118: Midlands Region - percentage point differences from the regional average
4
3
2
1
0
-1
-2
-3
-4
Wp
Su
Sa
Ta
Pr
Ac
Se
Sm
Fl
En
Walsall
Nottingham
Key
Wp = Water pressure
Su = Supply
Sa = Safety
Ta = Taste
Pr = Pressure
Ac = Accounts
Se = Sewers
Sm = Smells
Fl = Flooding
En = Environment

6.10 Eastern

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

Flooding was highly salient in Great Yarmouth, conflated with or exacerbated by seawater and rainfall flooding. It was believed that sewage was still being discharged to sea, either untreated, or insufficiently treated.

> *"Yarmouth is a holiday resort for families, but that sewage is still pumped out to sea."*

Great Yarmouth

A fair number felt that maintenance could be improved in the Kettering area, but again there is insufficient evidence to suggest that it was any more pronounced than other areas. In Kettering, as elsewhere, respondents had heard media reports of leakage in the Thames Water area.

> *"Pipes are leaking, but I get a sense that nothing is happening about them. There is no evidence that there is sufficient investment."*

Kettering

Fig. 119: Satisfaction with Drinking Water Quality Kettering

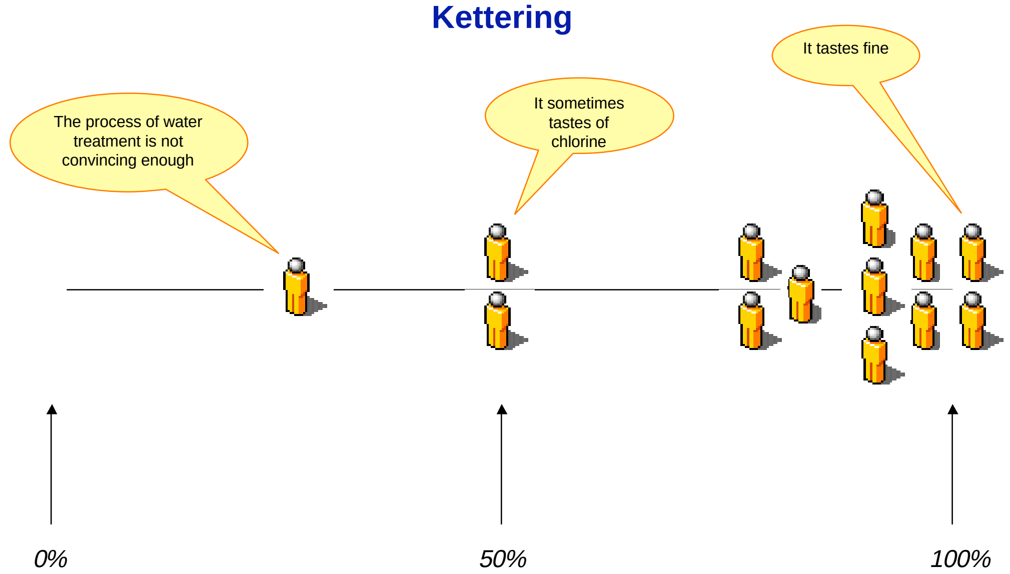


Fig. 120: Satisfaction with Sewer Flooding Prevention Kettering

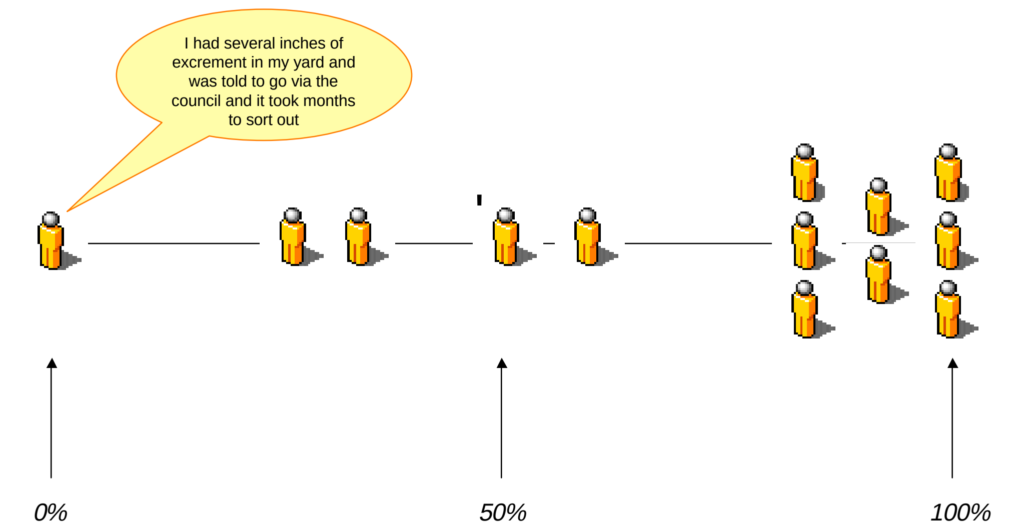


Fig. 121: Satisfaction with Maintenance of Assets

Kettering

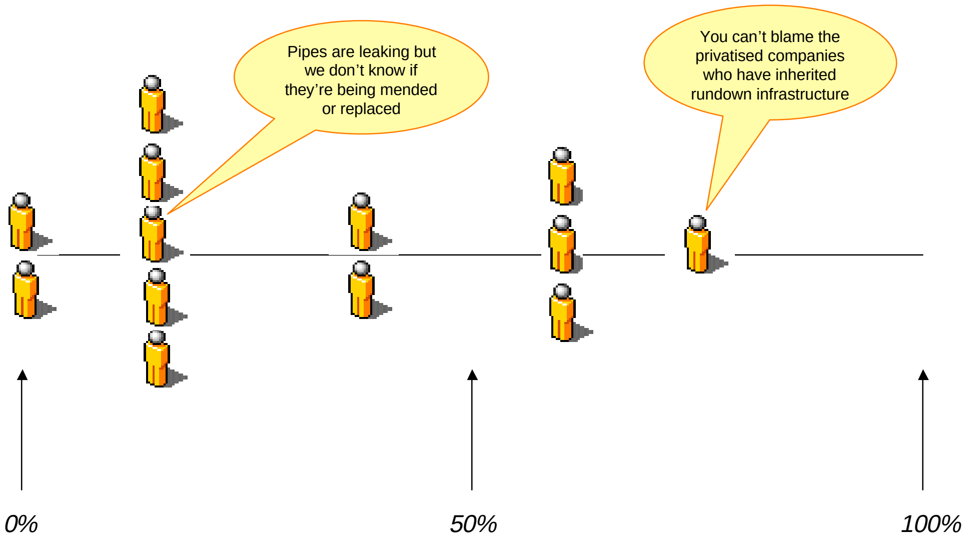


Fig. 122: Satisfaction with the Water Environment

Kettering

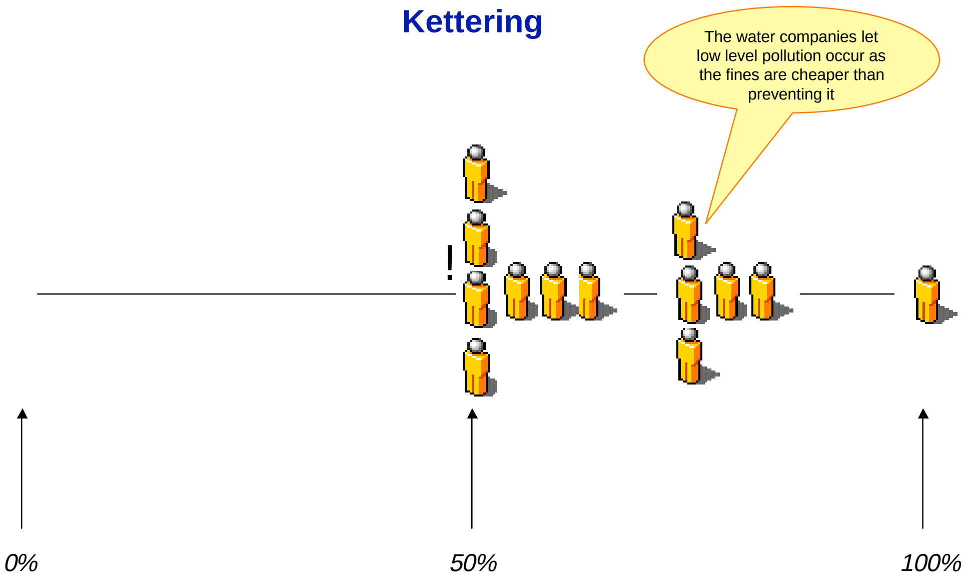


Fig. 123: Satisfaction with Customer Service

Kettering

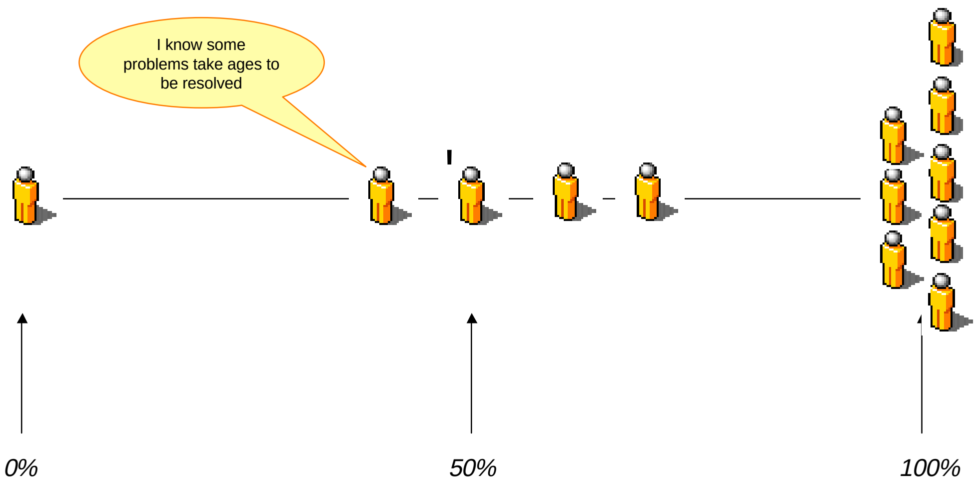


Fig. 124: Satisfaction with the Reliability of the Water Supply

Kettering

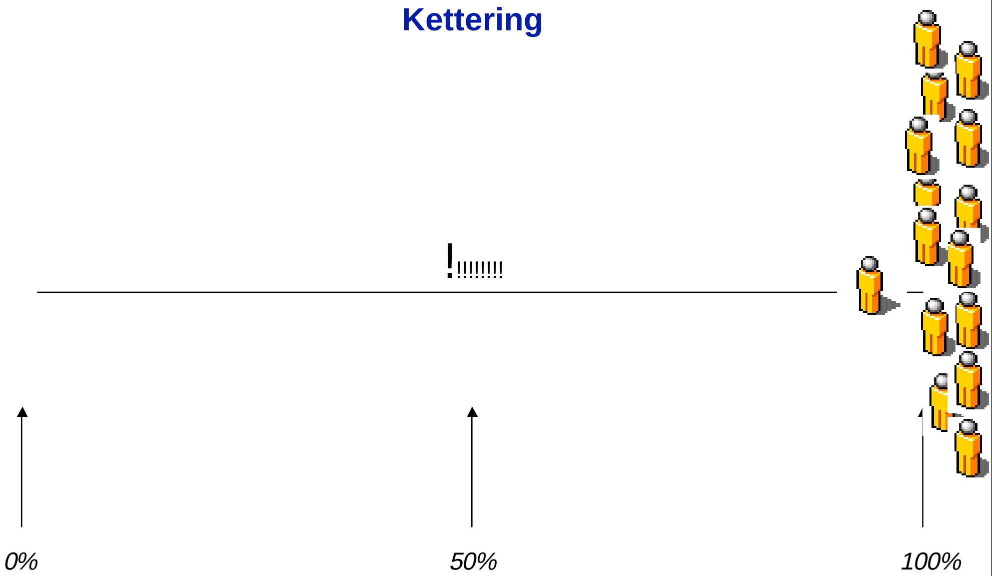


Fig. 125: Satisfaction with Drinking Water Quality

Great Yarmouth

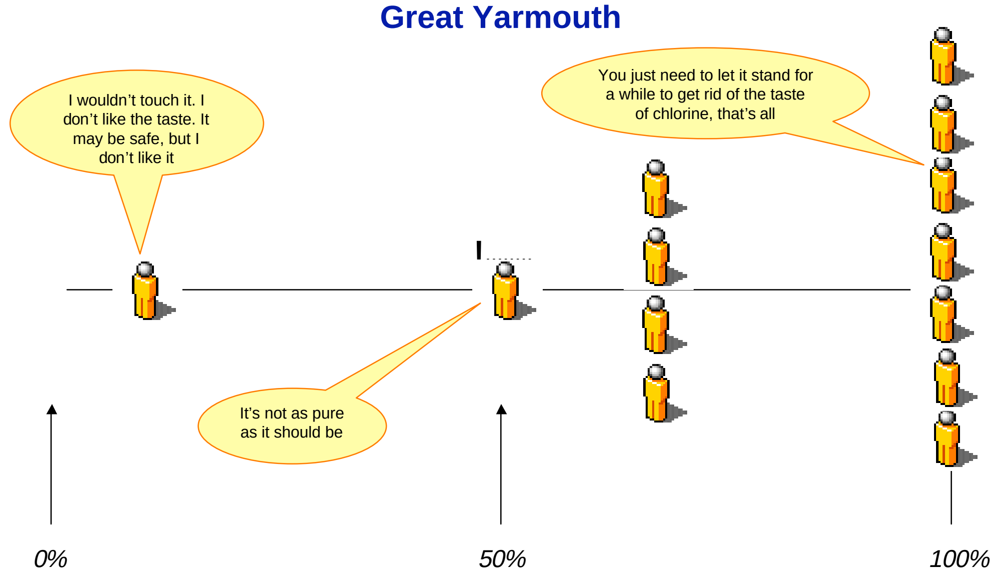


Fig. 126: Satisfaction with Sewer Flooding Prevention

Great Yarmouth

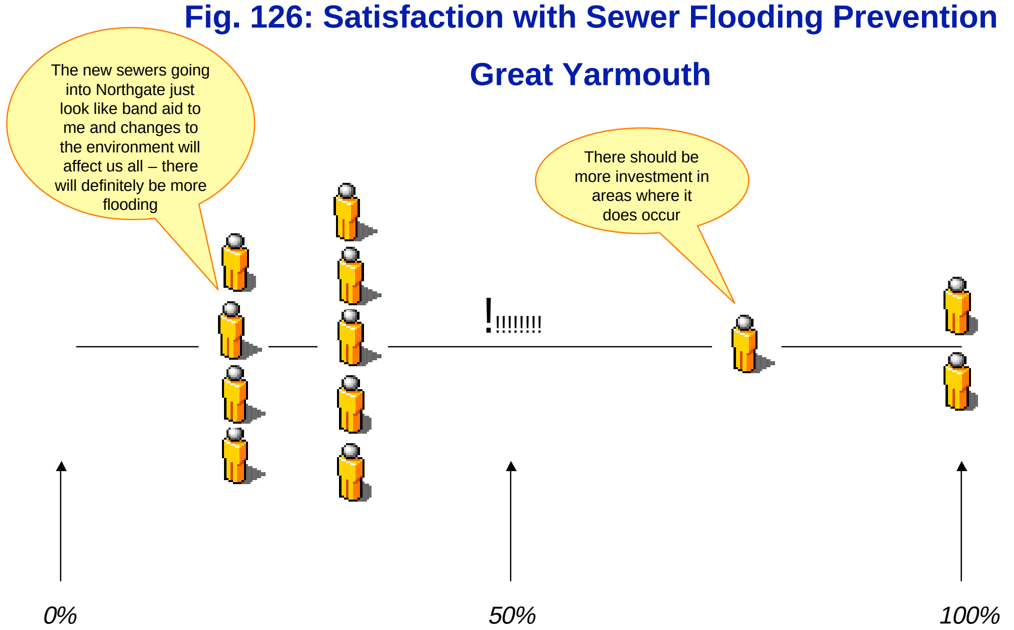


Fig. 127: Satisfaction with the Water Environment

Great Yarmouth

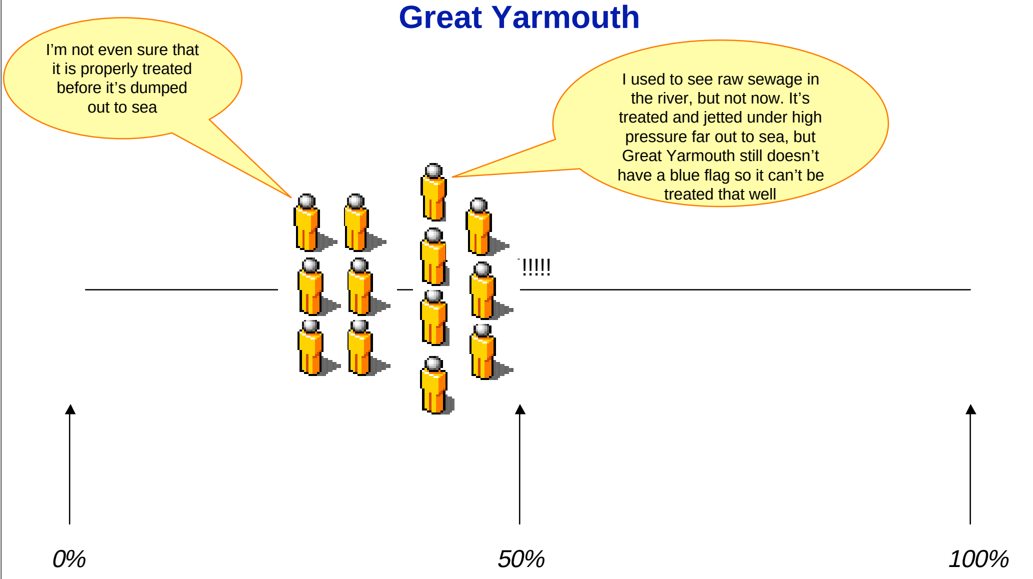


Fig. 128: Satisfaction with Customer Service

Great Yarmouth

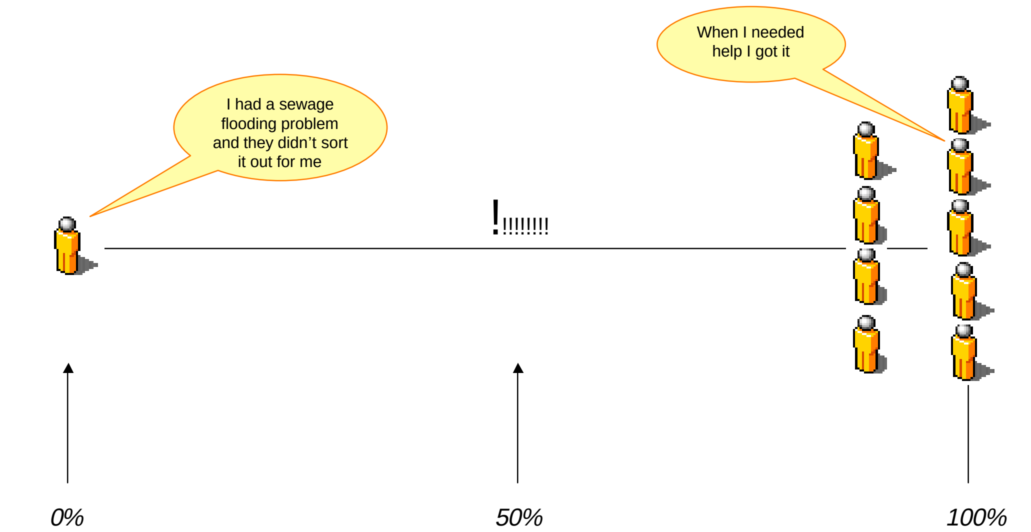


Fig. 129: Satisfaction with the Reliability of the Water Supply

Great Yarmouth

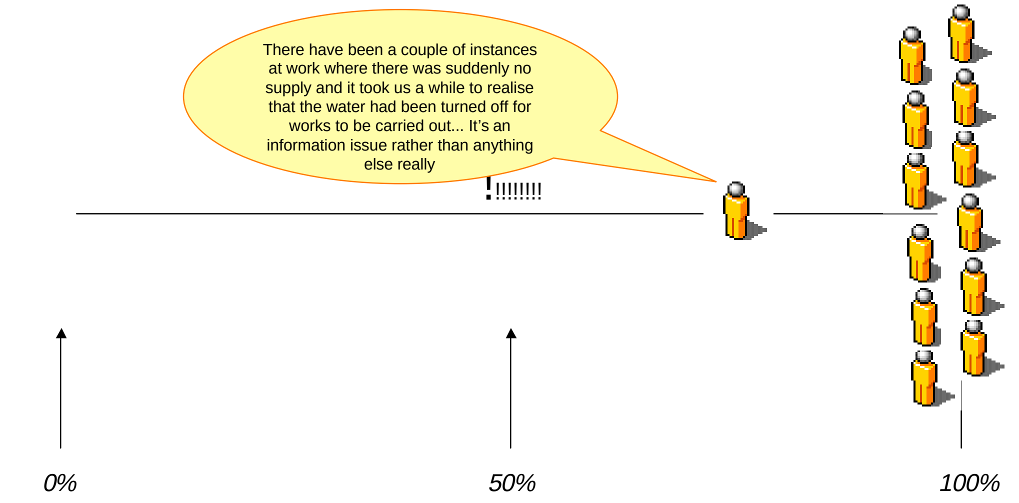


Fig. 130: Willingness to pay: Kettering

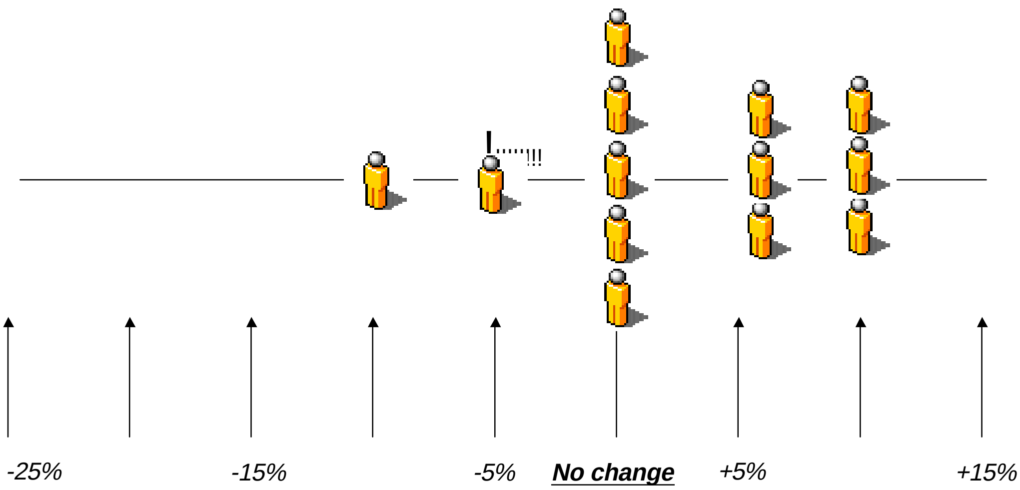
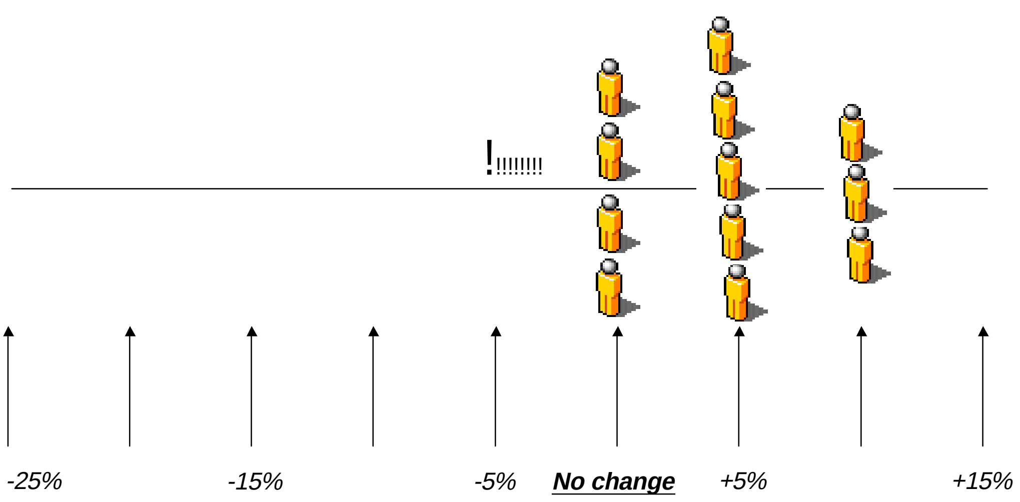
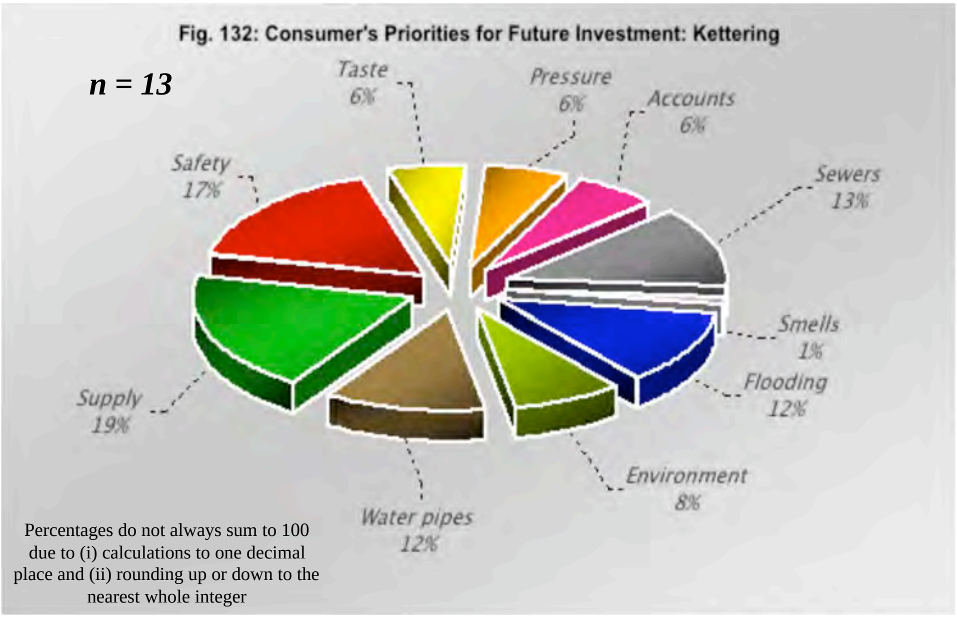


Fig. 131: Willingness to pay: Great Yarmouth





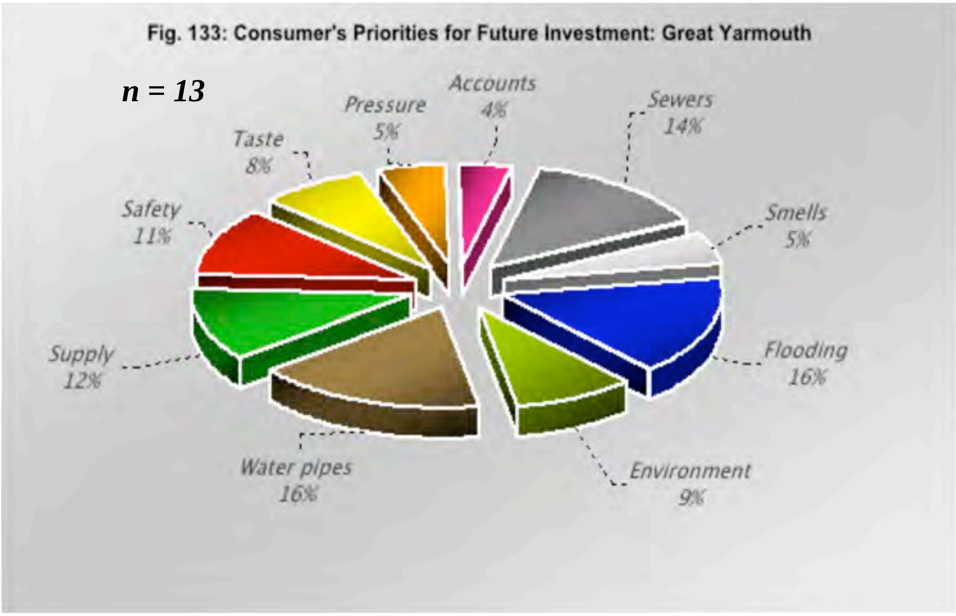


Fig. 133: Consumer's Priorities for Future Investment: Great Yarmouth
n = 13
Accounts 4%
Pressure 5%
Taste 8%
Sewers 14%
Safety 11%
Smells 5%
Supply 12%
Flooding 16%
Water pipes 16%
Environment 9%

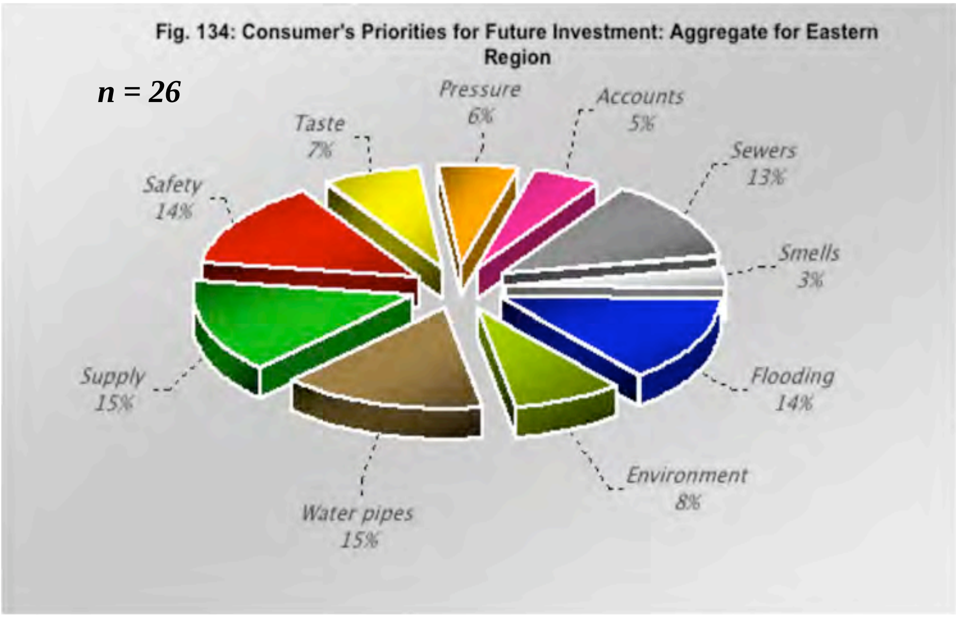
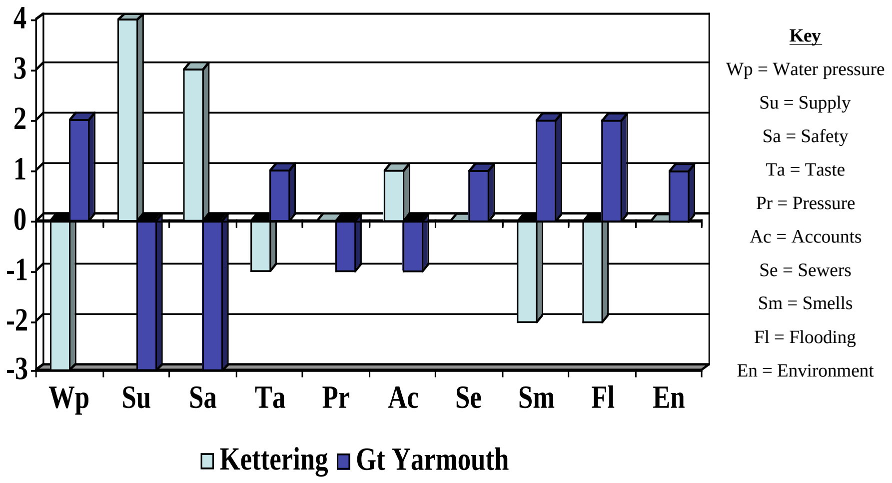


Fig. 134: Consumer's Priorities for Future Investment: Aggregate for Eastern Region
n = 26
Pressure 6%
Accounts 5%
Taste 7%
Sewers 13%
Safety 14%
Smells 3%
Supply 15%
Flooding 14%
Environment 8%
Water pipes 15%

Fig. 135: Eastern Region - percentage point differences from the regional average



6.11 North West

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

As a number of respondents came from the Fleetwood area near a sewage treatment works, sewage odours were a big issue. However we cannot extrapolate this local finding across the whole region.

Economic hardship was reported to be common in Preston. It was reported that many people were out of work. However many working respondents on low incomes expressed resentment as they believed people on benefits were not paying for their water.

> *"I've a three bedroom little Council house whereas the next person who's got the three bedroom Council house never got off their bottom or worked ever in their life. They're getting the water free but I'm going out flogging my guts out trying to give my children a bit more money and I've got to pay but they get it free. No, that's not right."*
>
> Preston

In Manchester there was a good deal of cynicism.

> *"One of the water companies is owned by an Australian pension company, and another is owned by a Chinese company. Now, are they interested in our water supply or in their shareholders and their pension fund?"*
>
> Manchester

Fig. 136: Satisfaction with Drinking Water Quality

Preston

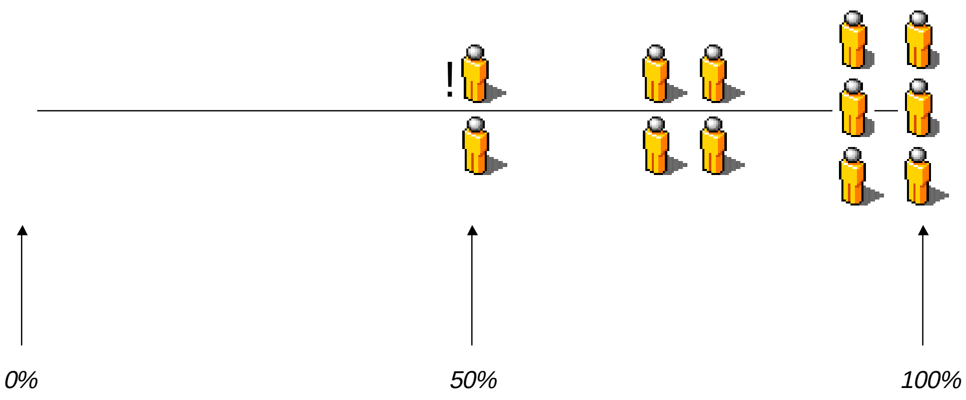


Fig. 137: Satisfaction with Sewer Flooding Prevention

Preston

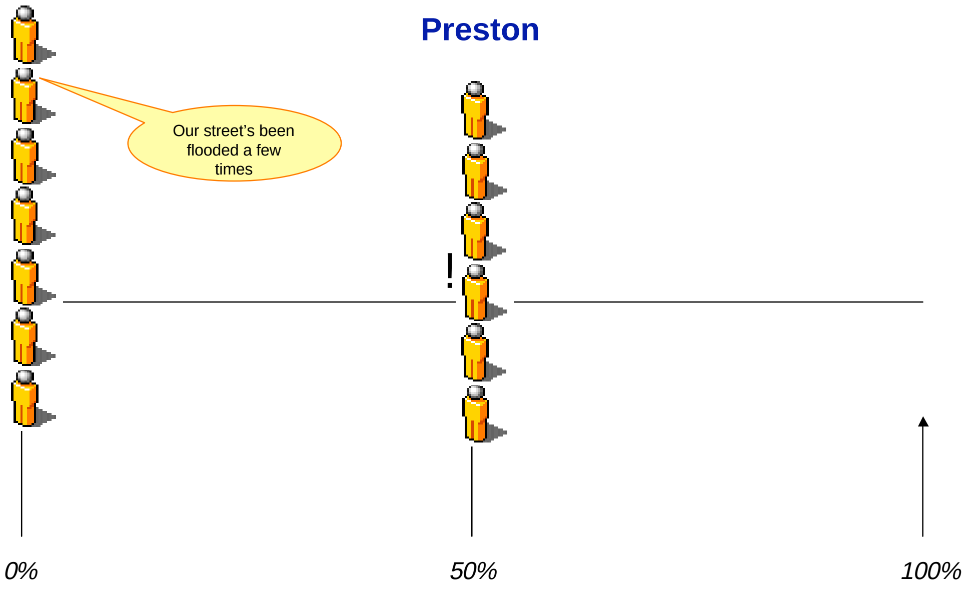


Fig. 138: Satisfaction with Maintenance of Assets

Preston

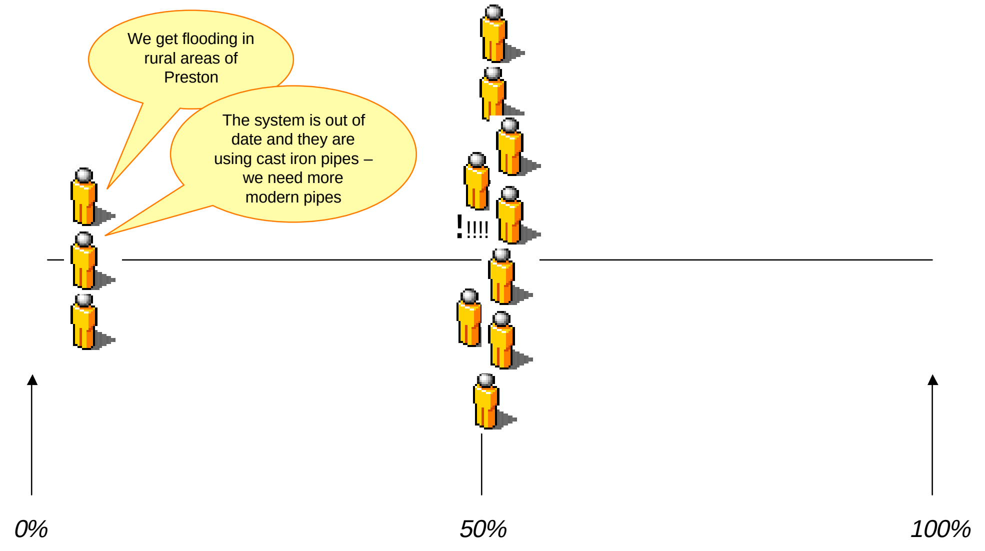


Fig. 139: Satisfaction with Customer Service

Preston

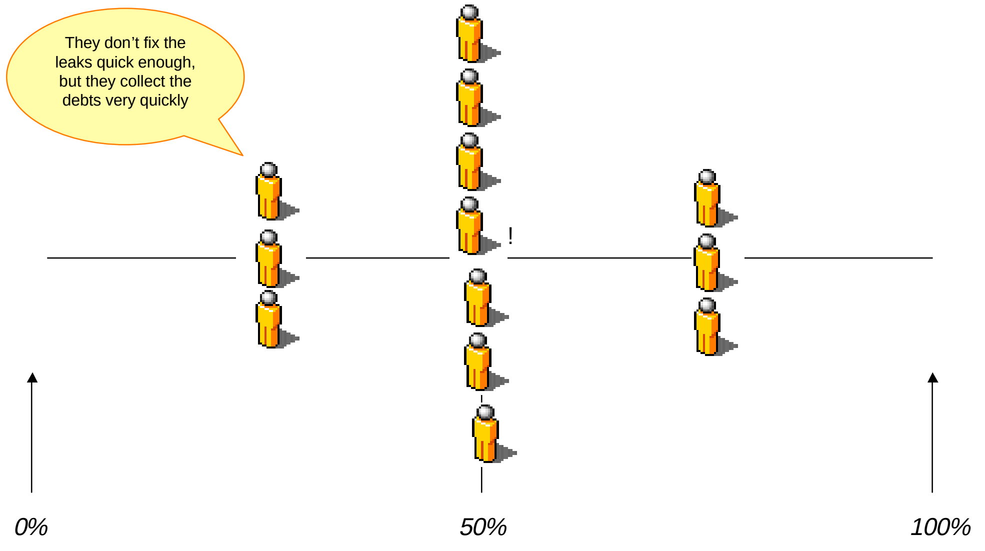


Fig. 140: Satisfaction with Drinking Water Quality

Manchester

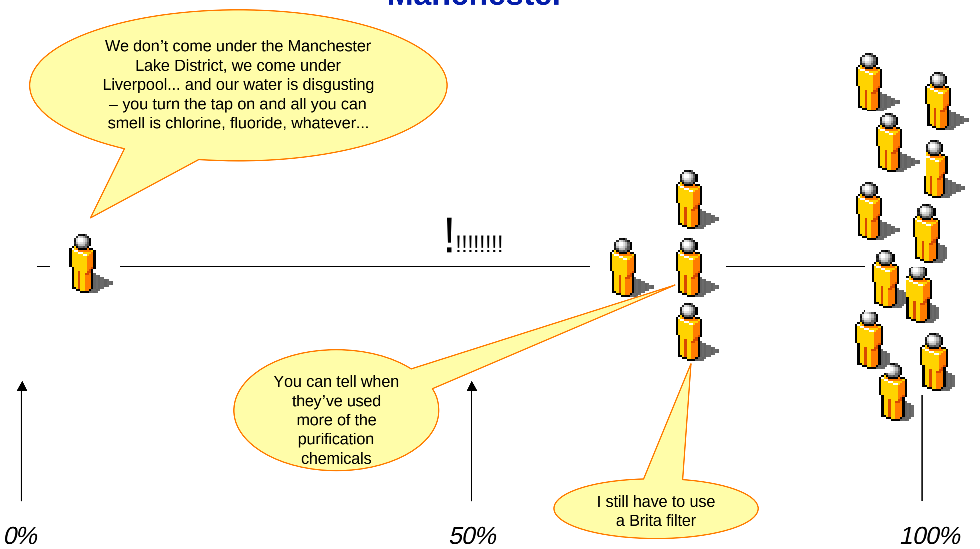


Fig. 141: Satisfaction with Sewer Flooding Prevention

Manchester

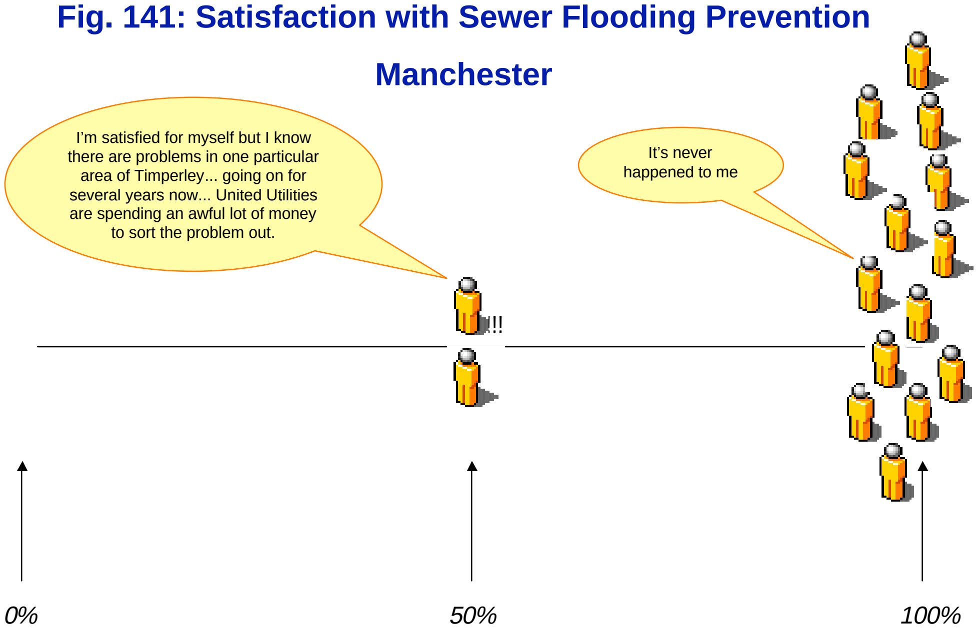


Fig. 142: Satisfaction with the Water Environment

Manchester

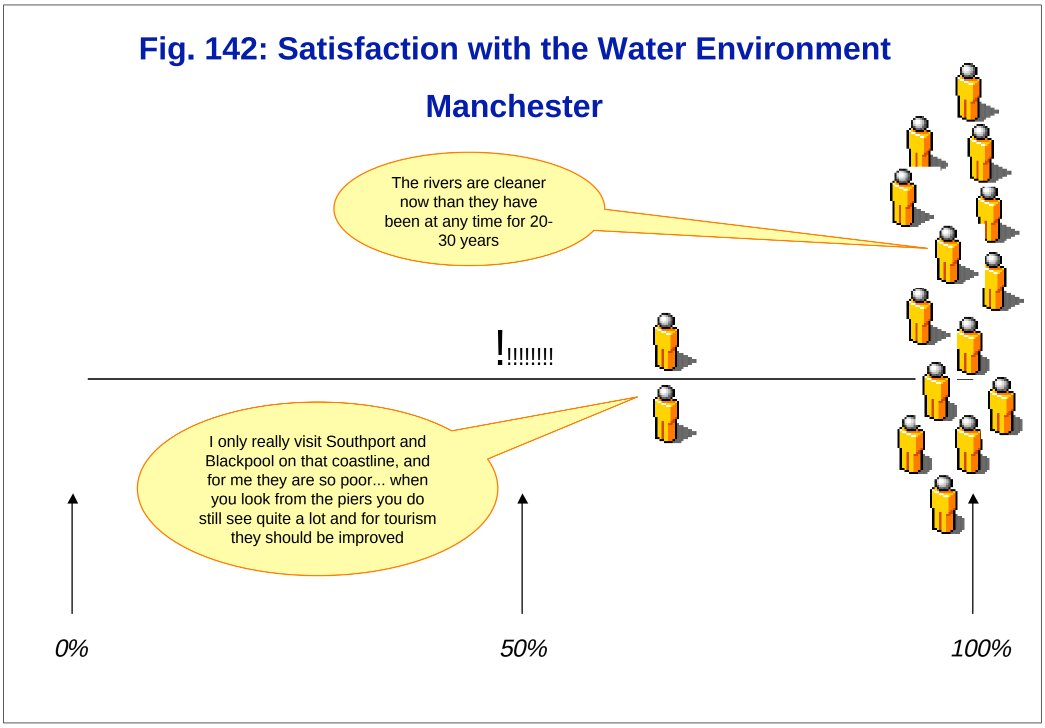


Fig. 143: Satisfaction with Customer Service

Manchester

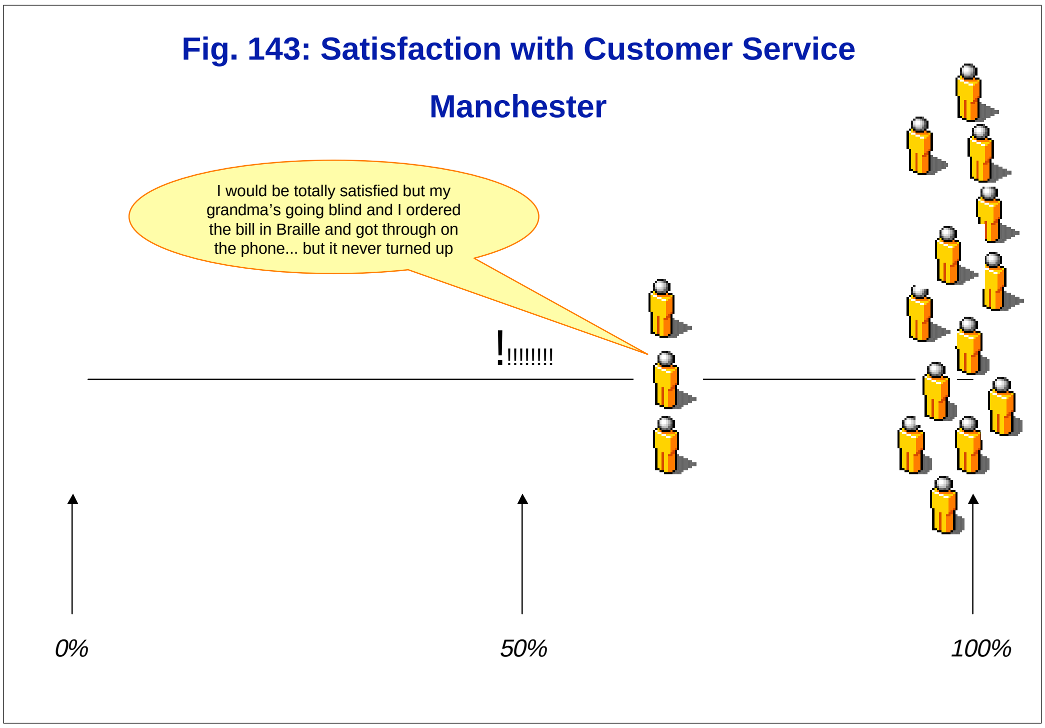


Fig. 144: Willingness to pay: Manchester

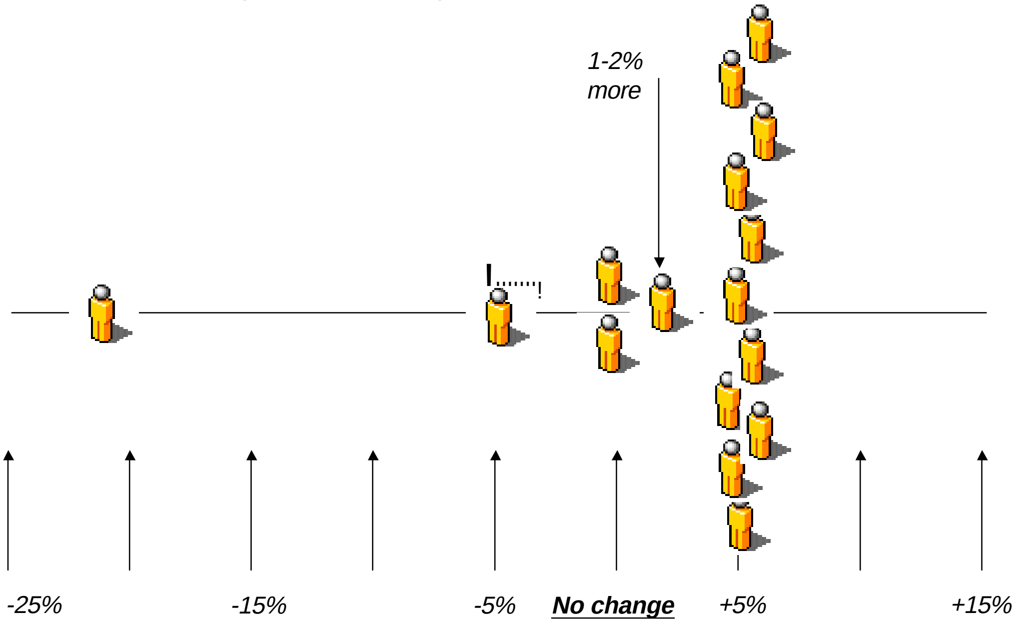


Fig. 145: Willingness to pay: Preston

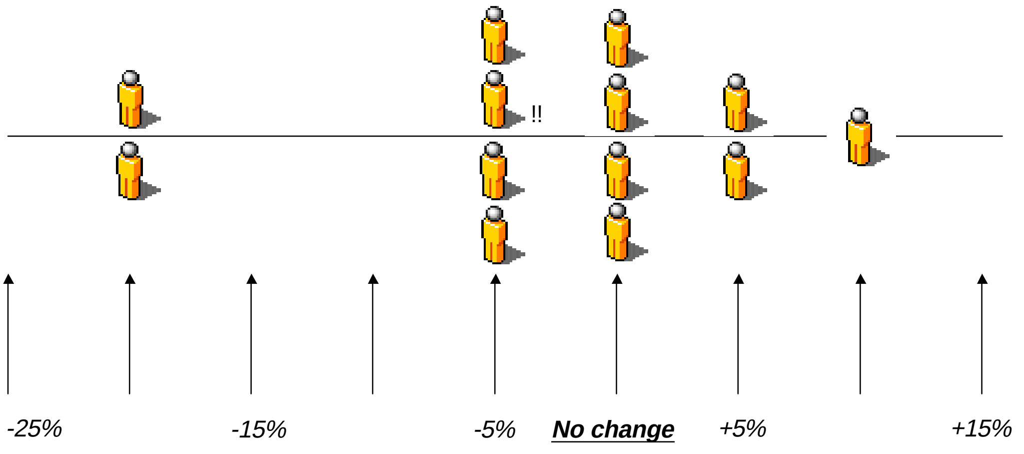


Fig. 146: Consumer Priorities for Future Investment: Preston

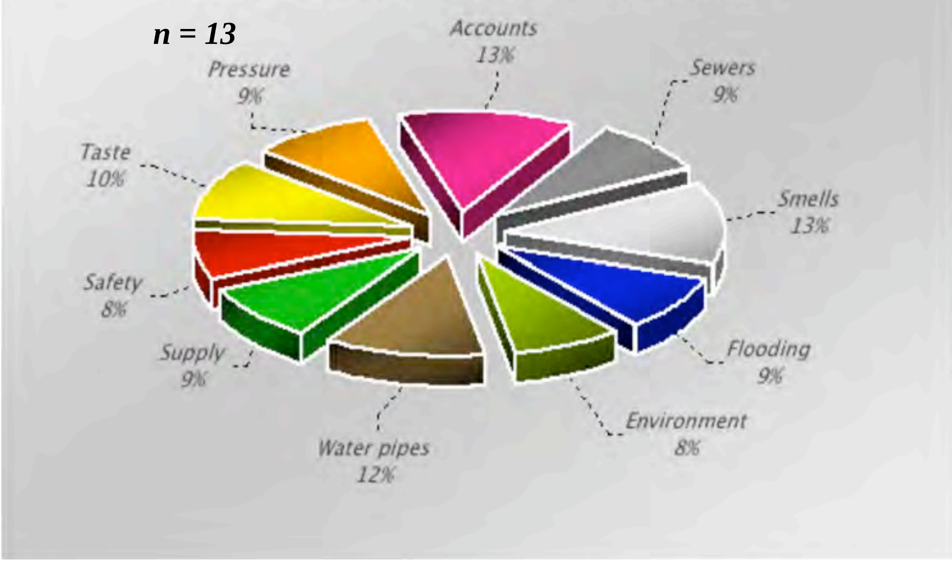
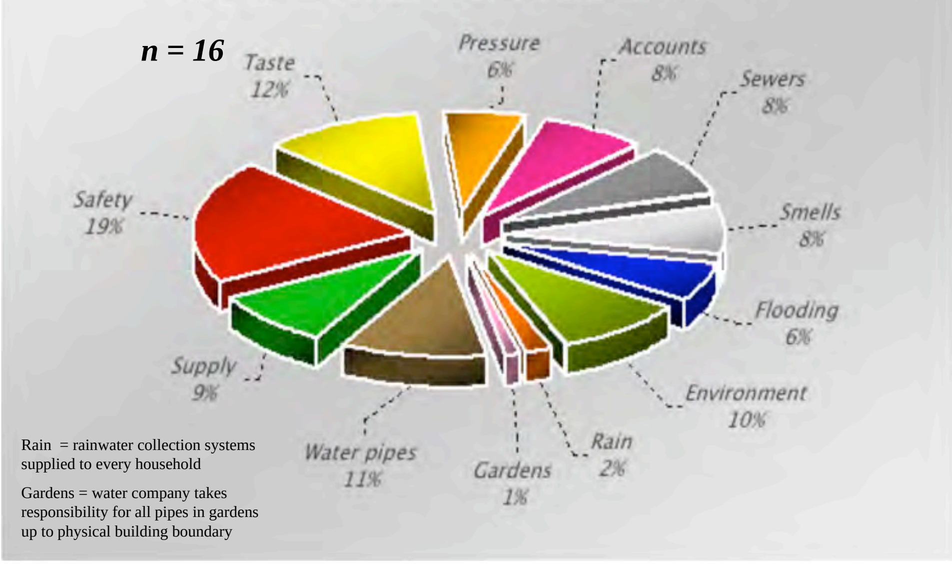


Fig. 147: Consumer Priorities for Future Investment: Manchester



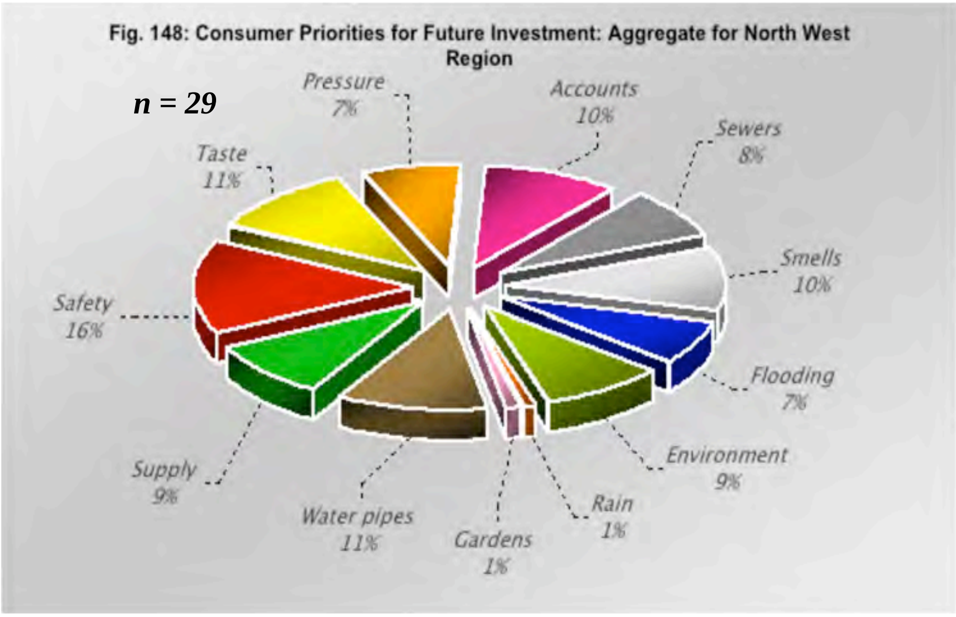


Fig. 148: Consumer Priorities for Future Investment: Aggregate for North West Region
n = 29
Pressure 7%
Accounts 10%
Sewers 8%
Smells 10%
Flooding 7%
Environment 9%
Rain 1%
Gardens 1%
Water pipes 11%
Supply 9%
Safety 16%
Taste 11%

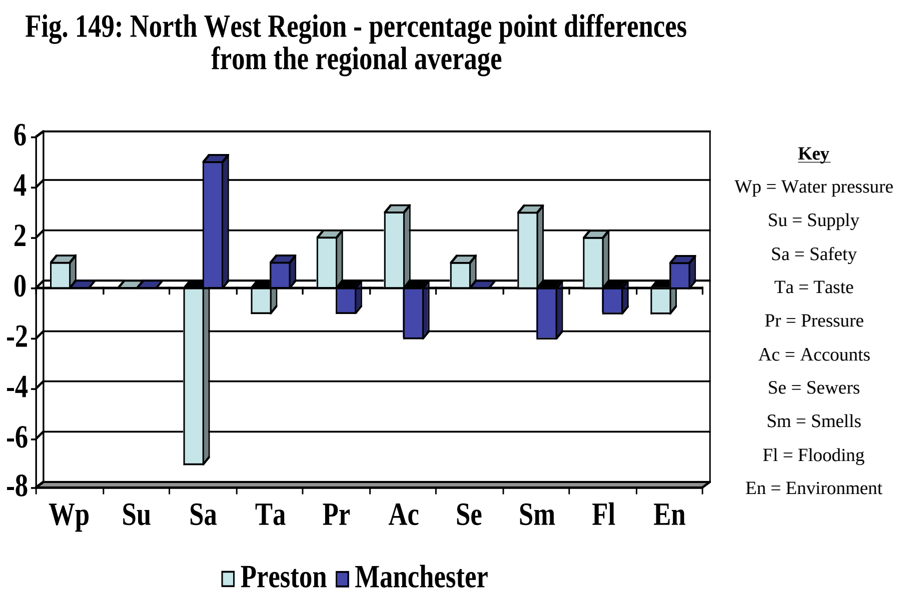


Fig. 149: North West Region - percentage point differences from the regional average
6
4
2
0
-2
-4
-6
-8
Wp Su Sa Ta Pr Ac Se Sm Fl En
Preston Manchester
Key
Wp = Water pressure
Su = Supply
Sa = Safety
Ta = Taste
Pr = Pressure
Ac = Accounts
Se = Sewers
Sm = Smells
Fl = Flooding
En = Environment

6.12 Yorkshire

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

Flooding issues were salient and it was felt that some authority, whether local councils or water companies, should prevent more building on flood plains.

There were a good number of positive comments about Yorkshire Water's performance after the deliberative period.

> *"I read that Yorkshire water in particular have improved, their sewer flooding by 95% since 97/98."*
>
> Sheffield

> *"Yorkshire are … consistently right at the bottom of complaints."*
>
> Sheffield

Some respondents looked at Yorkshire Water's performance figures during the deliberative period and felt as a result that there was no need to increase levels of bills.

> *"Yorkshire Water appear to be the top performing water company on the money they get at the moment."*
>
> Leeds

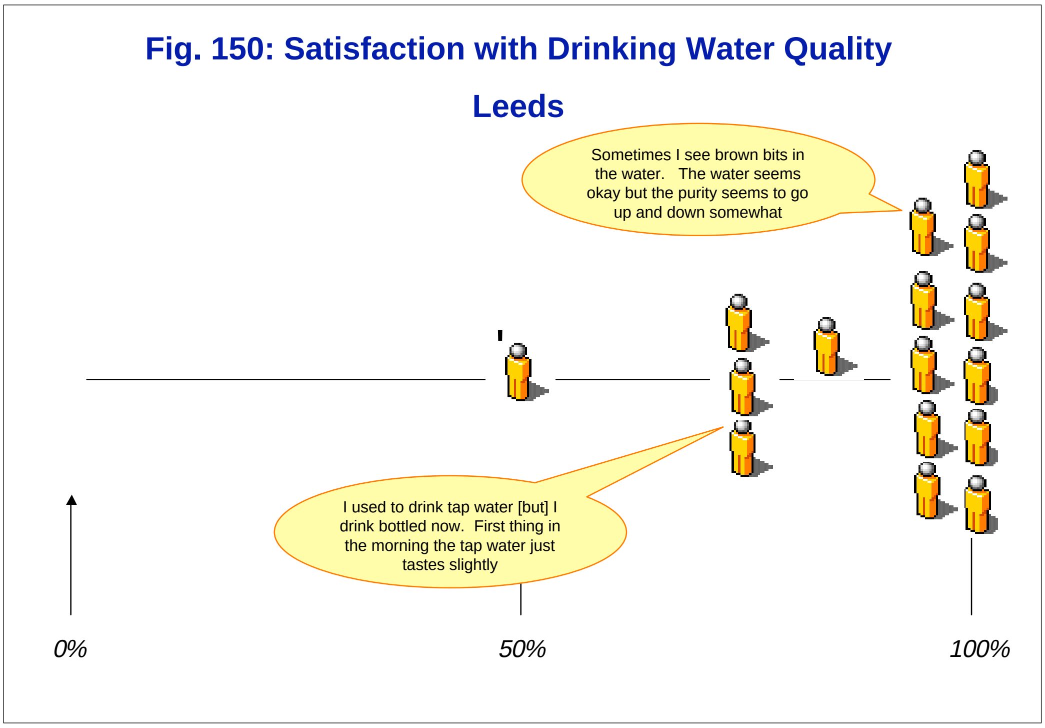


Fig. 150: Satisfaction with Drinking Water Quality
Leeds
Sometimes I see brown bits in the water. The water seems okay but the purity seems to go up and down somewhat
I used to drink tap water [but] I drink bottled now. First thing in the morning the tap water just tastes slightly
0%
50%
100%

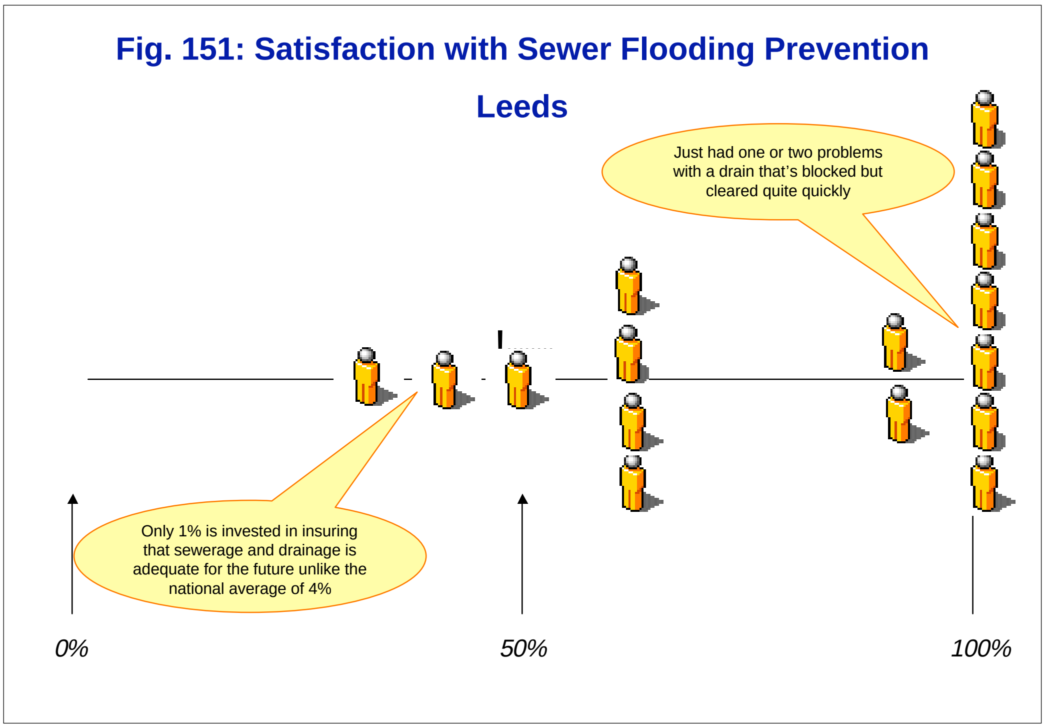


Fig. 151: Satisfaction with Sewer Flooding Prevention
Leeds
Just had one or two problems with a drain that's blocked but cleared quite quickly
Only 1% is invested in insuring that sewerage and drainage is adequate for the future unlike the national average of 4%
0%
50%
100%

Fig. 152: Satisfaction with Maintenance of Assets

Leeds

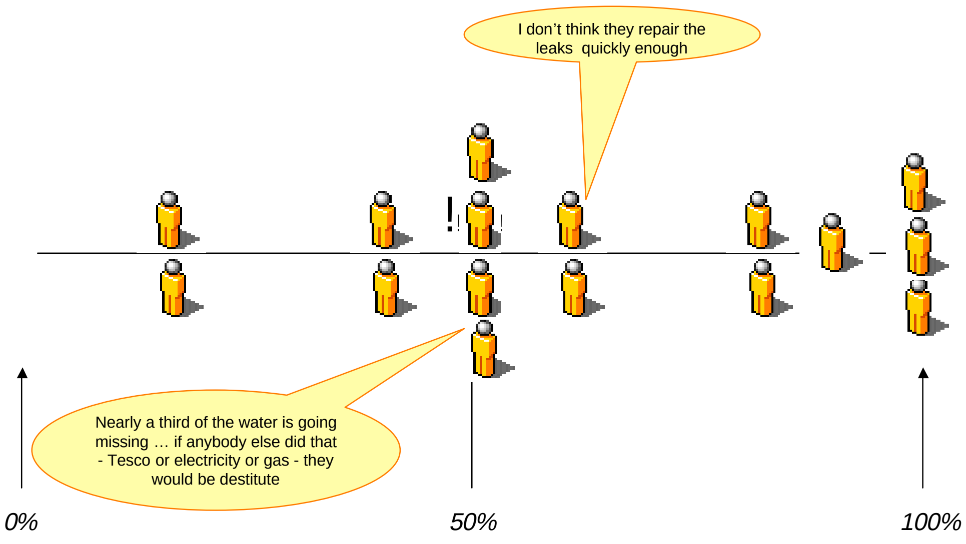


Fig. 153: Satisfaction with the Water Environment

Leeds

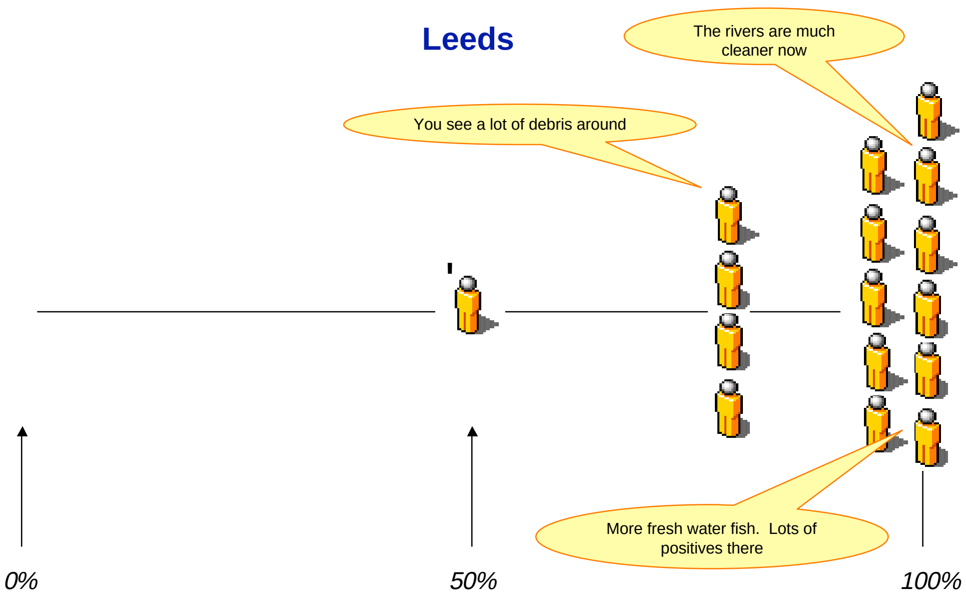


Fig. 154: Satisfaction with Customer Service

Leeds

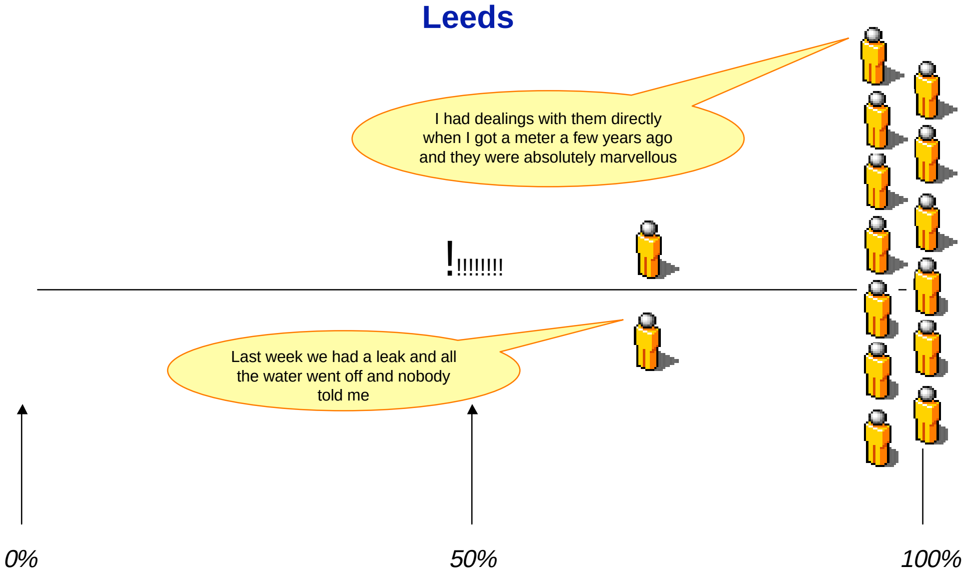
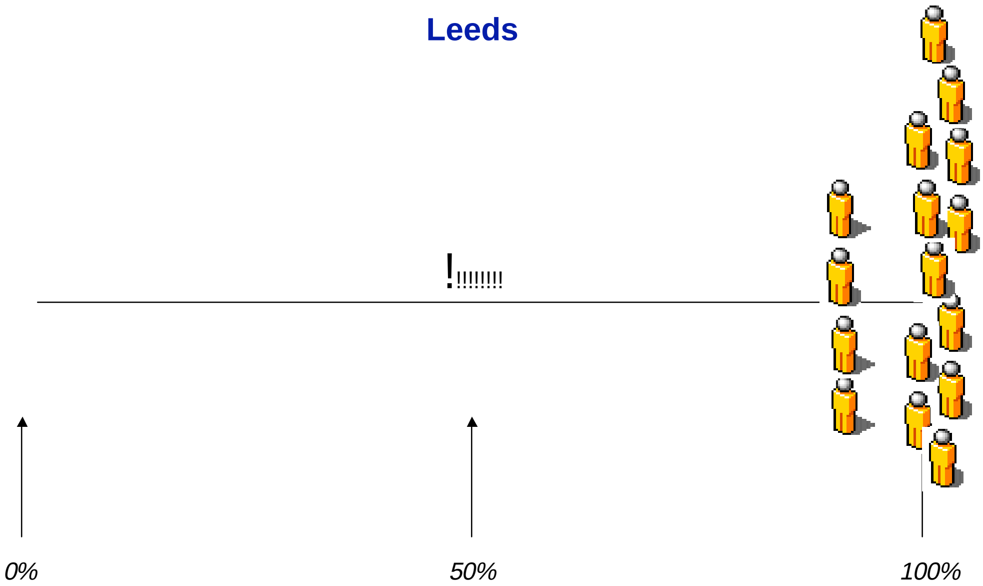


Fig. 155: Satisfaction with Reliability of the Water Supply

Leeds



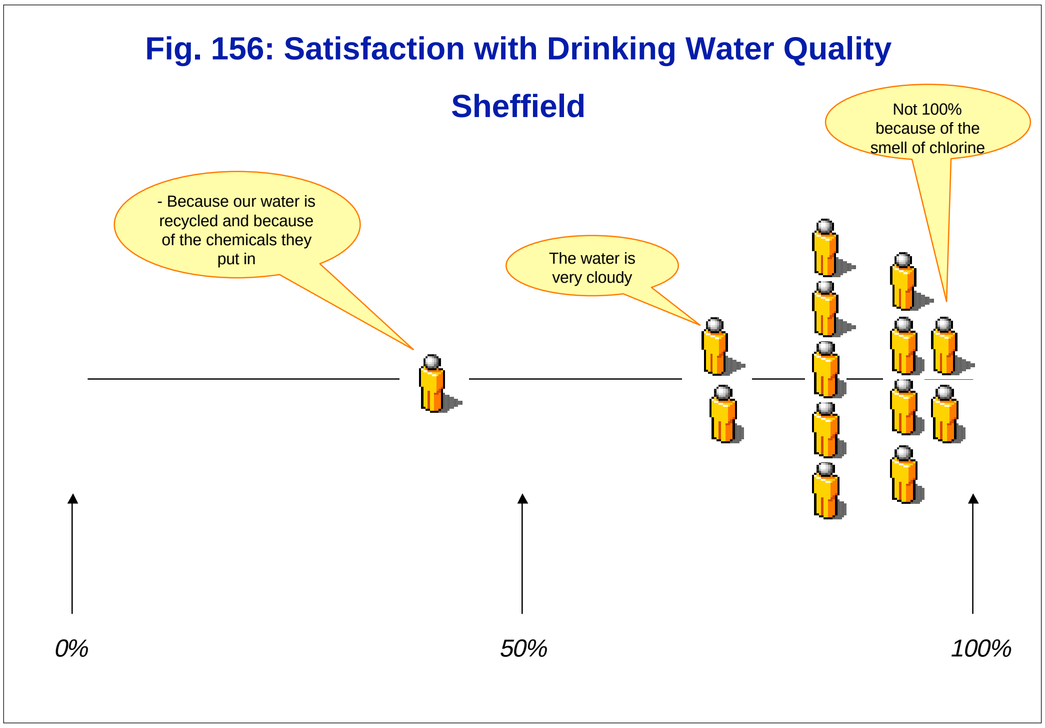


Fig. 156: Satisfaction with Drinking Water Quality
Sheffield
Not 100% because of the smell of chlorine
- Because our water is recycled and because of the chemicals they put in
The water is very cloudy
0%
50%
100%

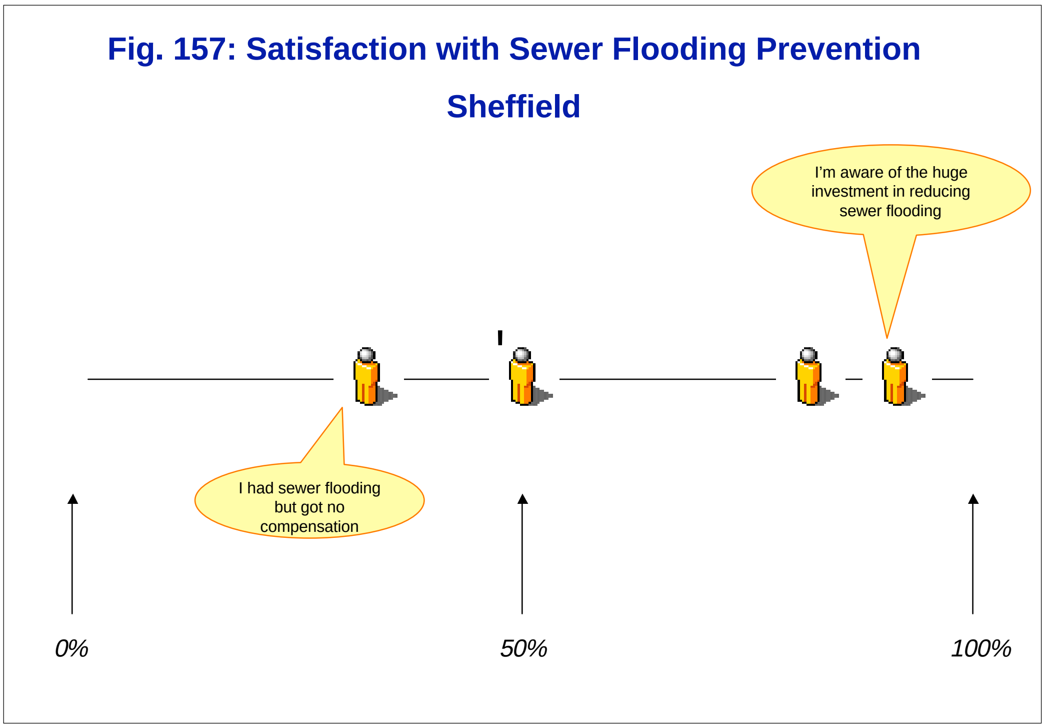


Fig. 157: Satisfaction with Sewer Flooding Prevention
Sheffield
I'm aware of the huge investment in reducing sewer flooding
I had sewer flooding but got no compensation
0%
50%
100%

Fig. 158: Satisfaction with Maintenance of Assets Sheffield

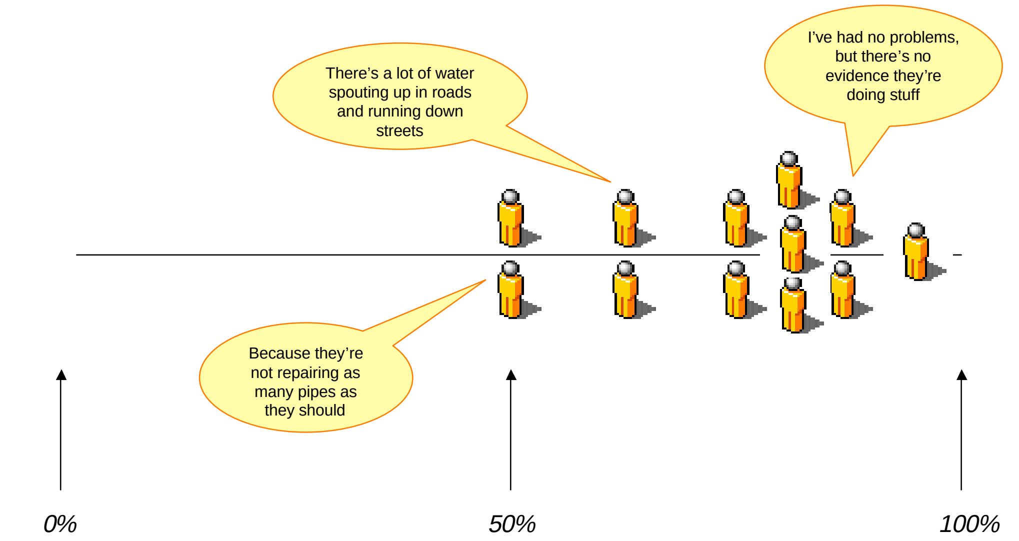


Fig. 159: Willingness to pay: Leeds

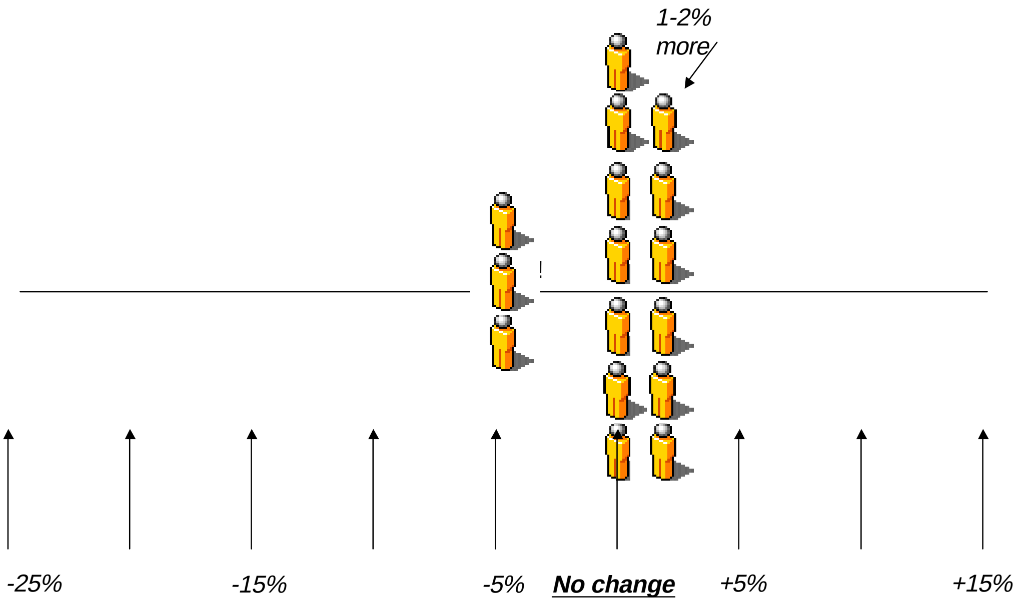
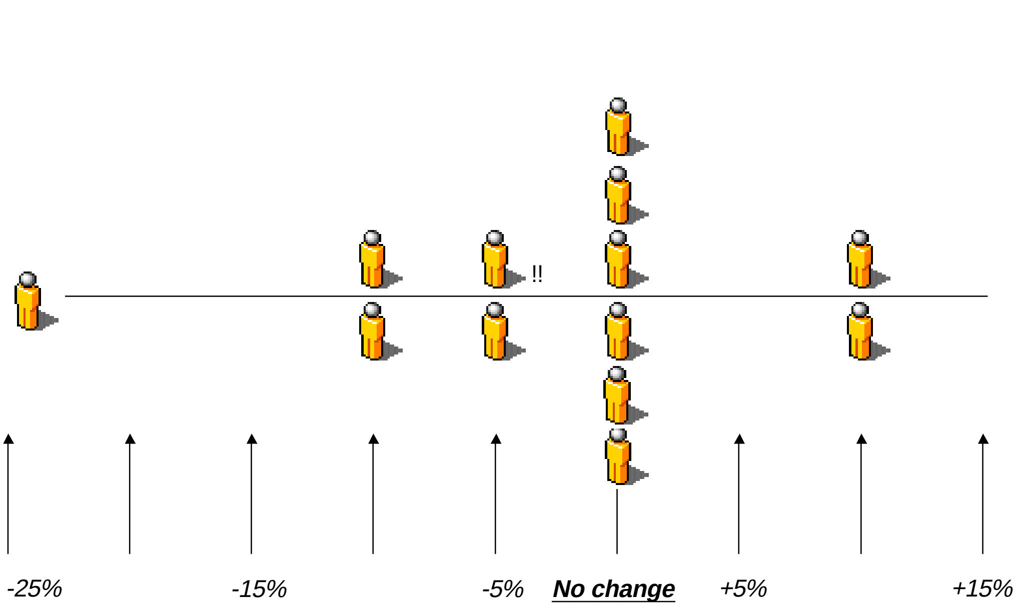
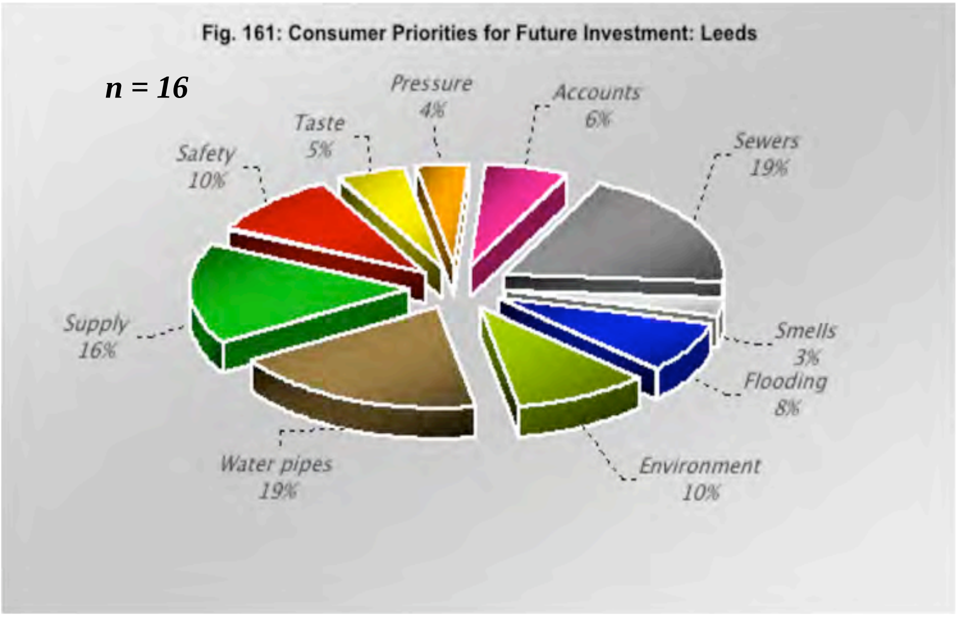


Fig. 160: Willingness to pay: Sheffield





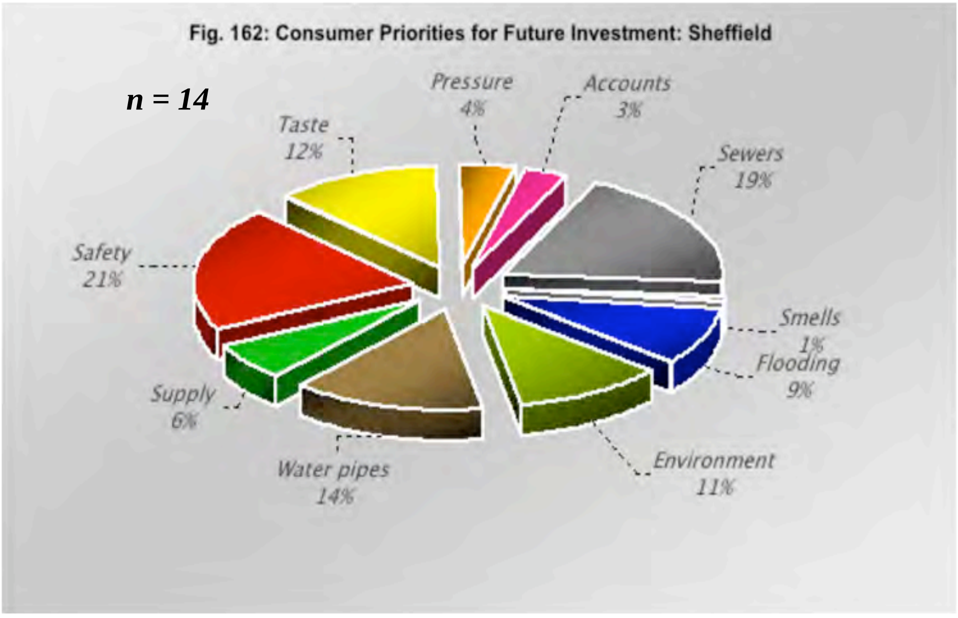


Fig. 162: Consumer Priorities for Future Investment: Sheffield
n = 14
Pressure
4%
Accounts
3%
Taste
12%
Sewers
19%
Safety
21%
Smells
1%
Flooding
9%
Supply
6%
Environment
11%
Water pipes
14%

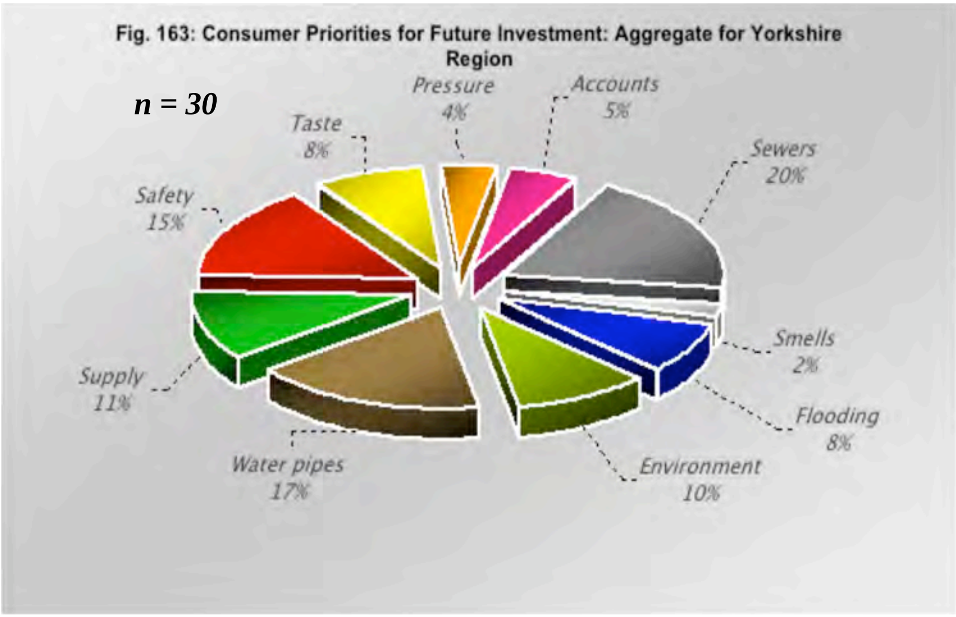


Fig. 163: Consumer Priorities for Future Investment: Aggregate for Yorkshire Region
n = 30
Pressure
4%
Accounts
5%
Taste
8%
Sewers
20%
Safety
15%
Smells
2%
Supply
11%
Flooding
8%
Water pipes
17%
Environment
10%

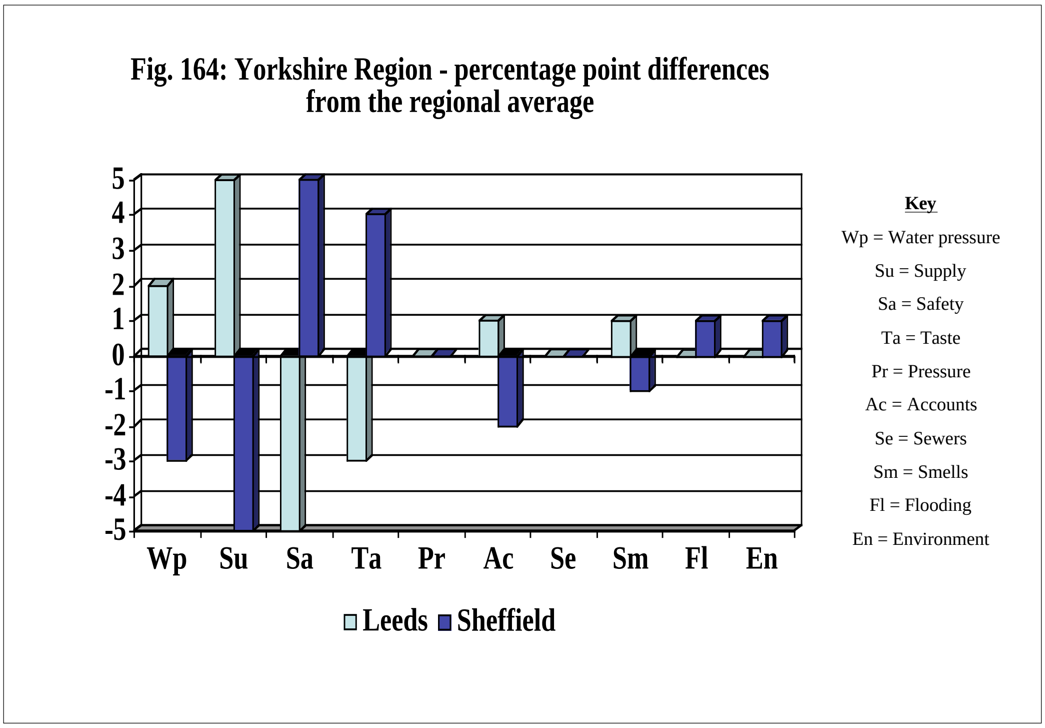


Fig. 164: Yorkshire Region - percentage point differences from the regional average
5
4
3
2
1
0
-1
-2
-3
-4
-5
Wp
Su
Sa
Ta
Pr
Ac
Se
Sm
Fl
En
Leeds
Sheffield
Key
Wp = Water pressure
Su = Supply
Sa = Safety
Ta = Taste
Pr = Pressure
Ac = Accounts
Se = Sewers
Sm = Smells
Fl = Flooding
En = Environment

6.13 Northumbria

There was consistency across the sample on all the key topics. Individual charts presented illustrate local views but are not necessarily representative of views across the entire region. Therefore for analysis on each topic see the executive summary and sections IV and V. For specific comments on the region and on local issues, see below and quotations in the charts that follow.

Northumbrian customers were amongst the most satisfied with their water supply.

"I'm quite happy with the service."

Morpeth

However many respondents were less happy with the amount of profit the company made.

"They're … making ridiculous profits … they made £139 million last year, a 30% increase on the year before."

Morpeth

Customers of Hartlepool Water were amongst the least content, mostly because they lived in an area of serious deprivation and a number of the poorest respondents were paying very high bills.

There was significant dissatisfaction with customer service in Hartlepool.

"I had a bill of £700 and wasn't sure what it was for and the woman on the phone said 'Look on the bill it tells you what it's for.' When I went into the office, they told me that it was a mistake."

Hartlepool

N.B. For the Stage One groups erroneous information was provided about the average bill of a Hartlepool Water customer. The error was corrected in the Stage Three workshop. In Appendix 2 below, The Research Material, we have included the corrected stimulus, however due to the short production time available the format of the corrected stimulus is not the same as was used earlier and elsewhere.

Fig. 165: Satisfaction with Drinking Water Quality Hartlepool

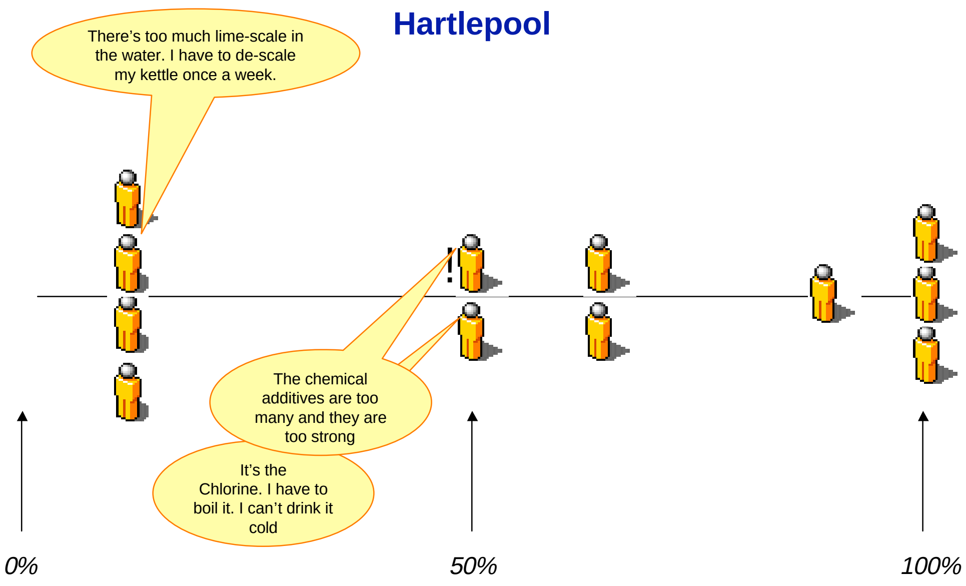
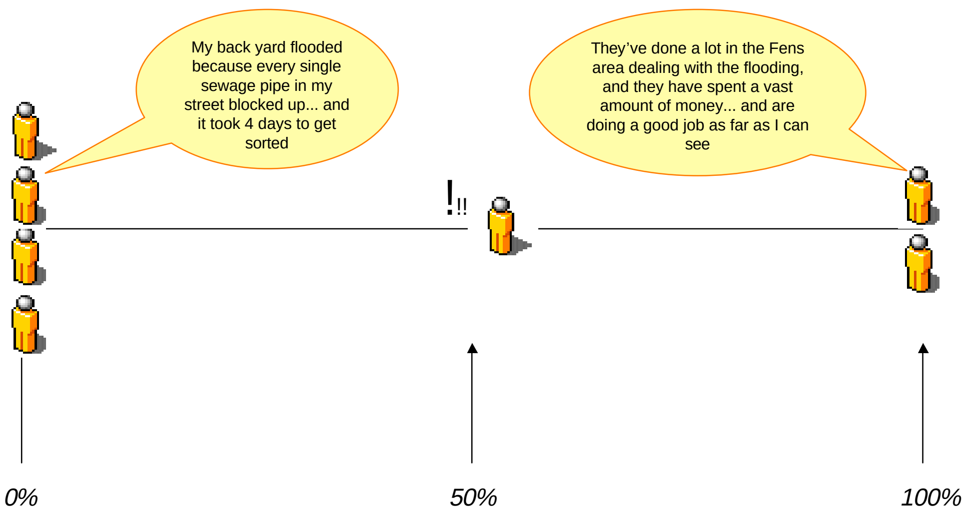


Fig. 166: Satisfaction with Sewer Flooding Prevention Hartlepool



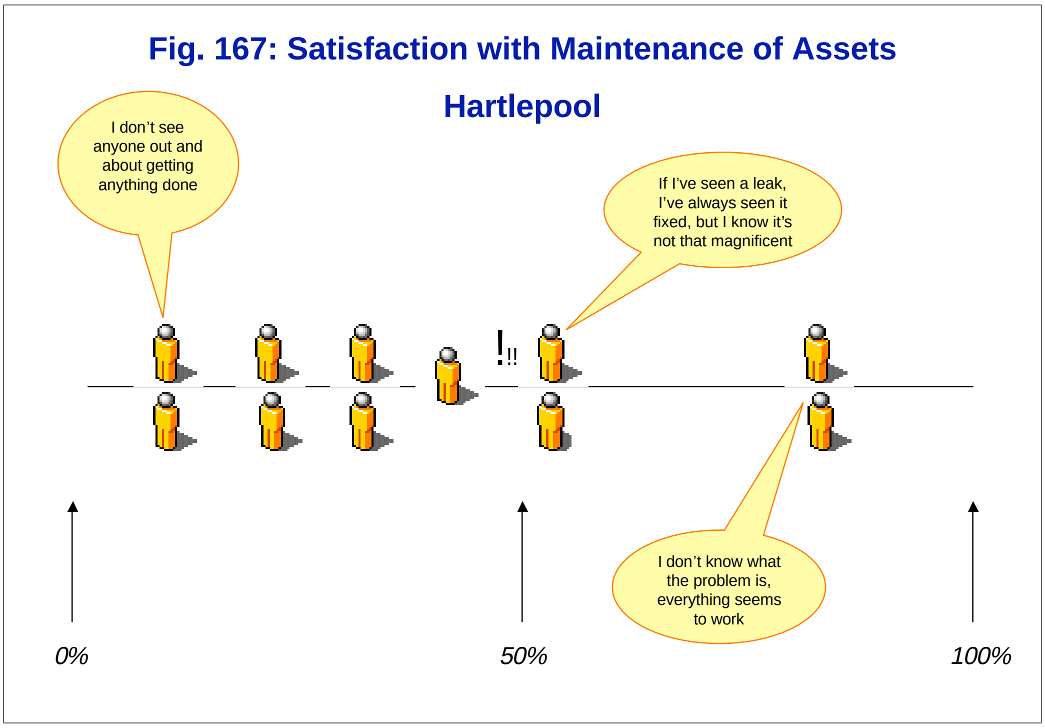


Fig. 167: Satisfaction with Maintenance of Assets
Hartlepool
I don't see anyone out and about getting anything done
If I've seen a leak, I've always seen it fixed, but I know it's not that magnificent
!!!
I don't know what the problem is, everything seems to work
0%
50%
100%

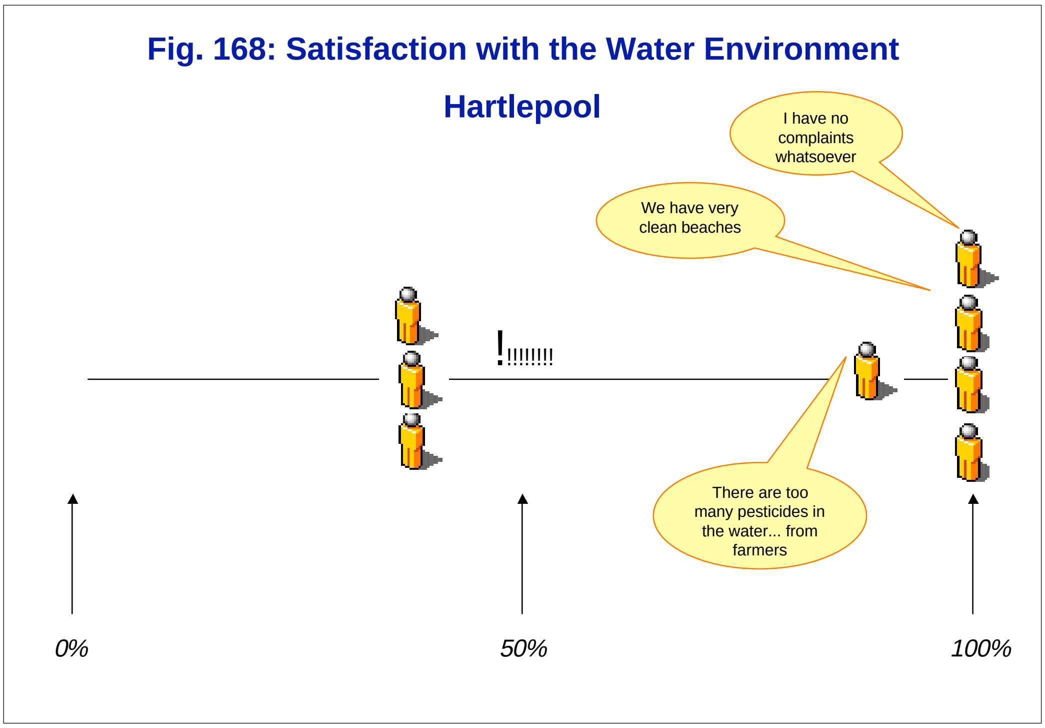


Fig. 168: Satisfaction with the Water Environment
Hartlepool
I have no complaints whatsoever
We have very clean beaches
!!!!!!!!
There are too many pesticides in the water... from farmers
0%
50%
100%

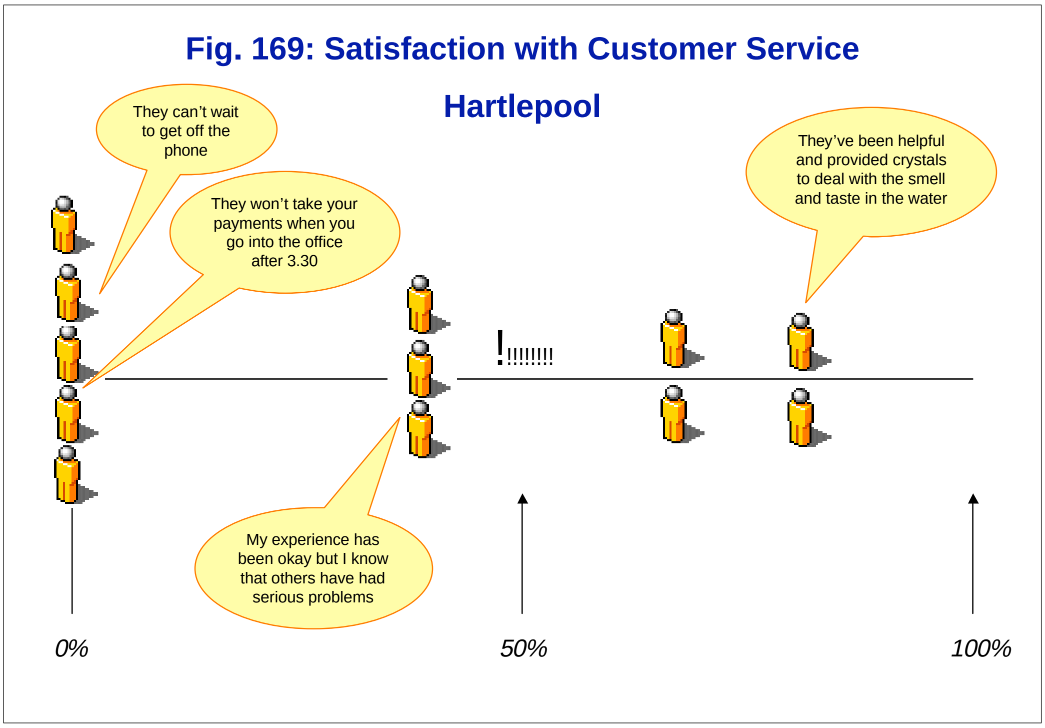


Fig. 169: Satisfaction with Customer Service
Hartlepool
They can't wait to get off the phone
They won't take your payments when you go into the office after 3.30
My experience has been okay but I know that others have had serious problems
They've been helpful and provided crystals to deal with the smell and taste in the water
!!!!!!!!
0%
50%
100%

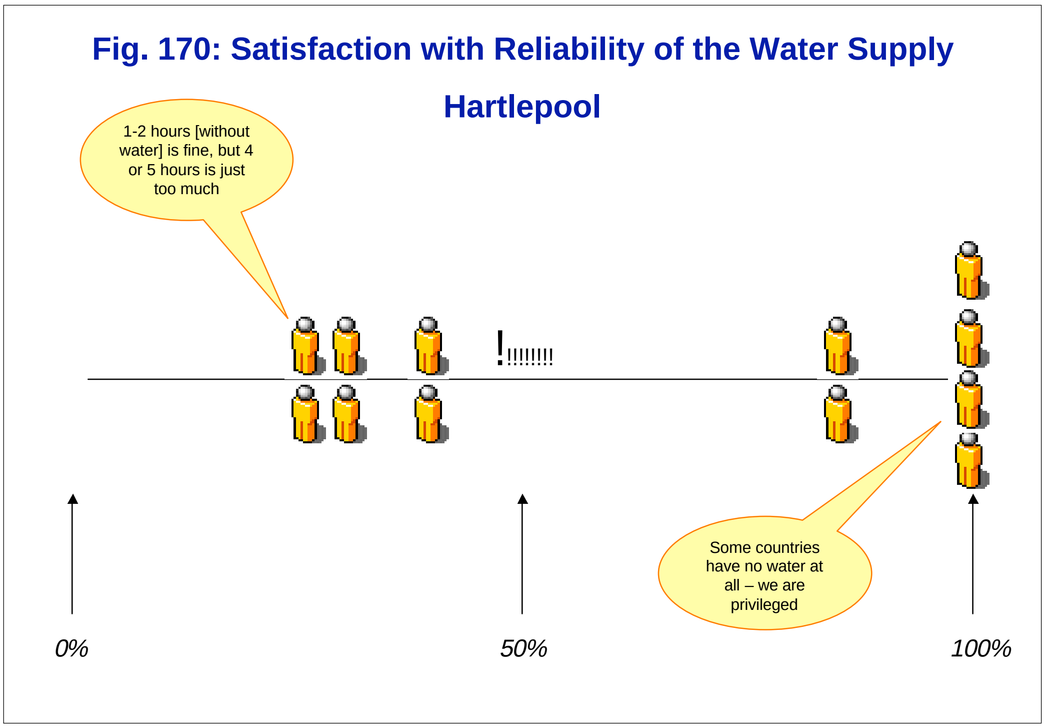


Fig. 170: Satisfaction with Reliability of the Water Supply
Hartlepool
1-2 hours [without water] is fine, but 4 or 5 hours is just too much
Some countries have no water at all – we are privileged
!!!!!!!!
0%
50%
100%

Fig. 171: Satisfaction with Drinking Water Quality

Morpeth

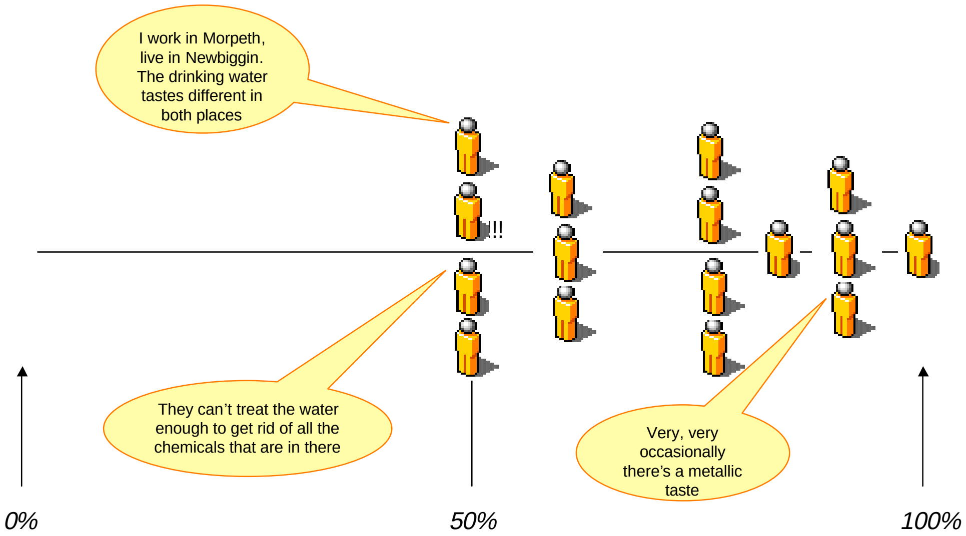


Fig. 172: Satisfaction with Sewer Flooding Prevention

Morpeth

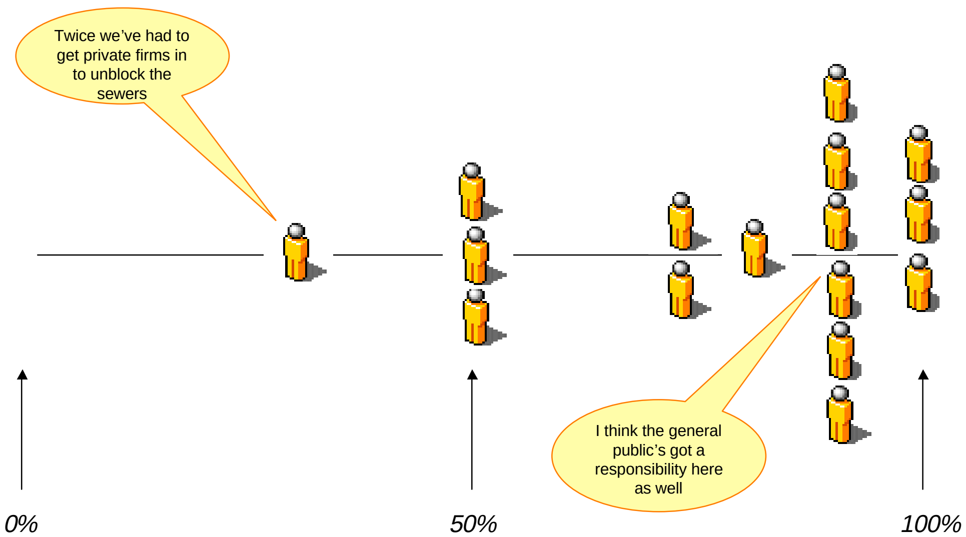


Fig. 173: Satisfaction with Maintenance of Assets
Morpeth

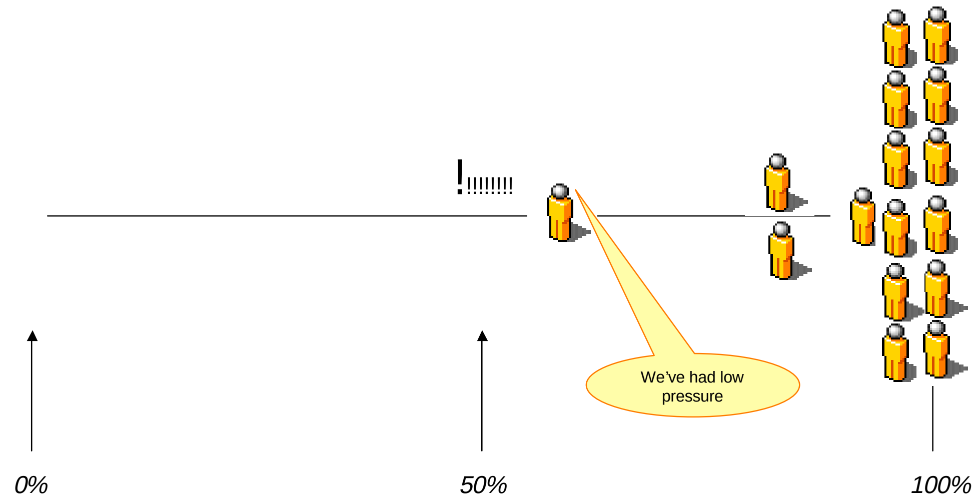
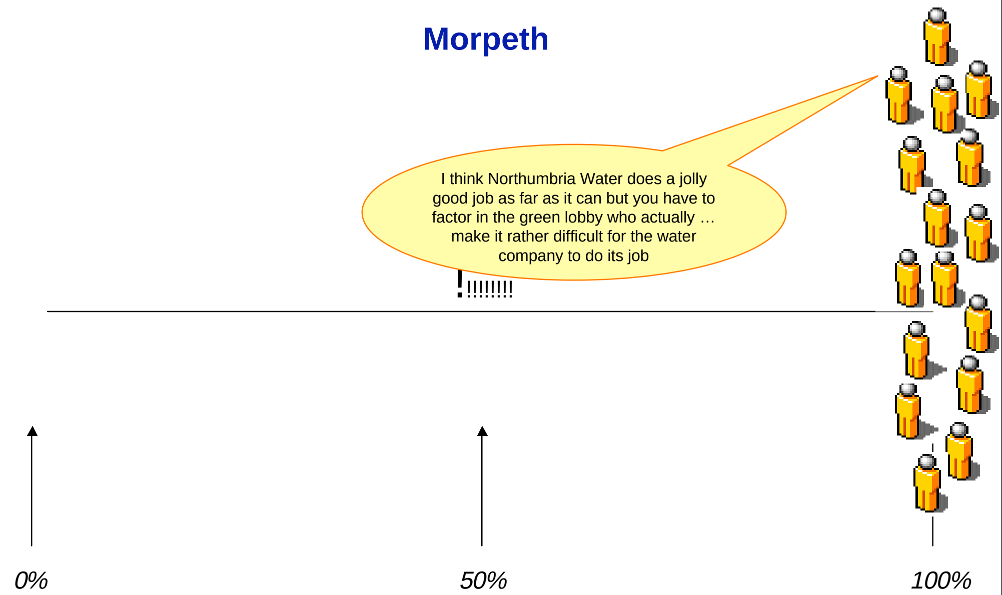


Fig. 174: Satisfaction with the Water Environment
Morpeth



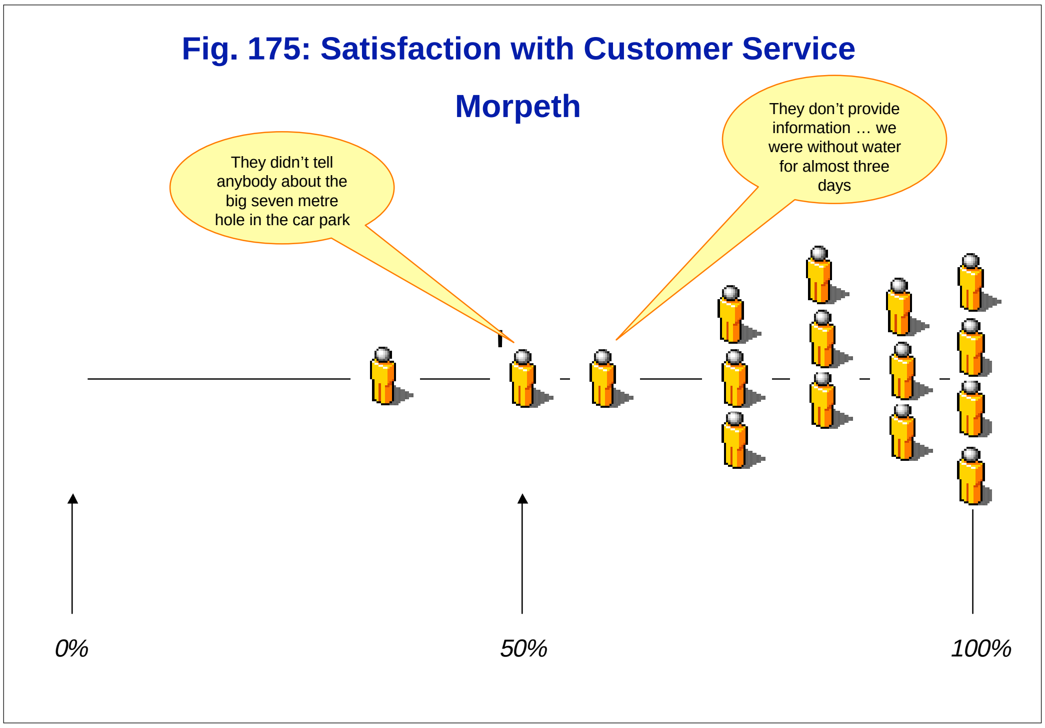


Fig. 175: Satisfaction with Customer Service

Morpeth

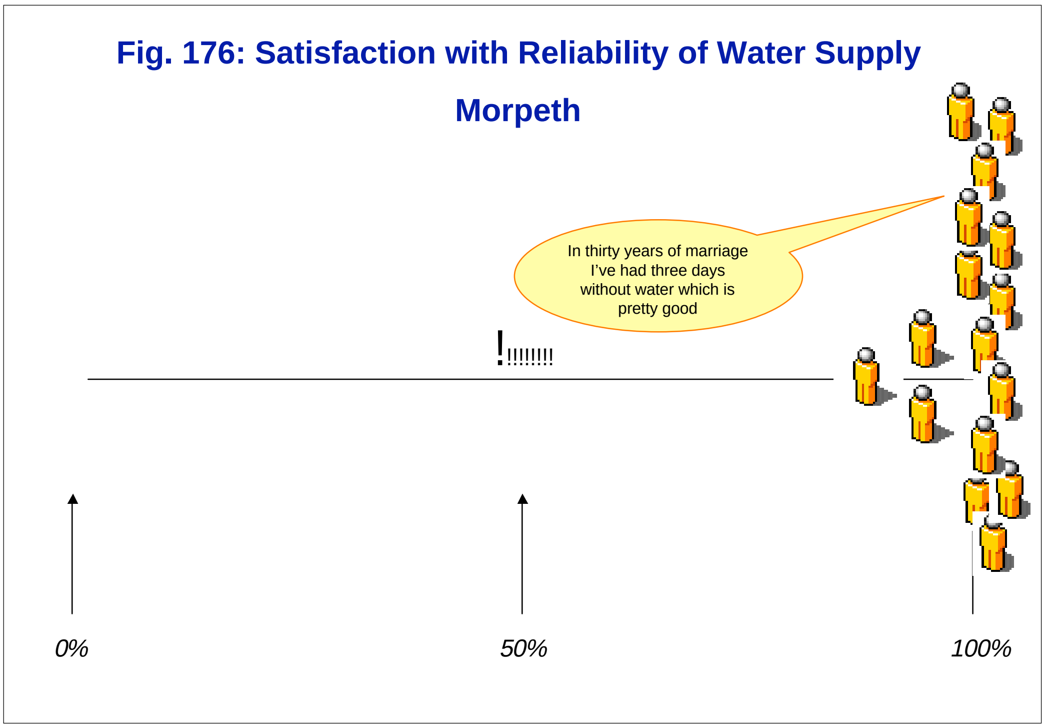


Fig. 176: Satisfaction with Reliability of Water Supply

Morpeth

Fig. 177: Willingness to pay: Morpeth

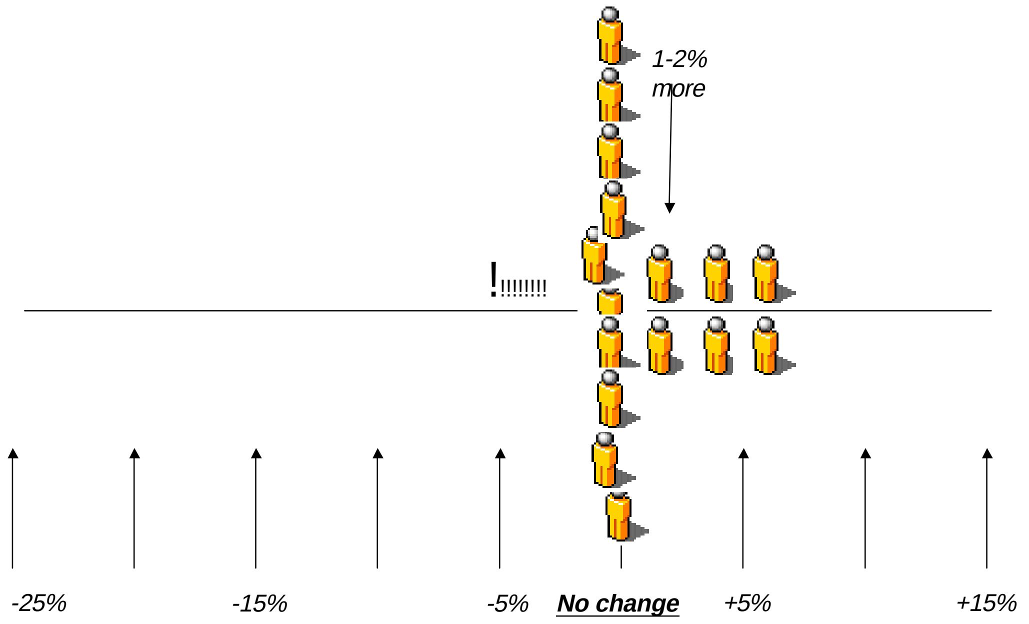
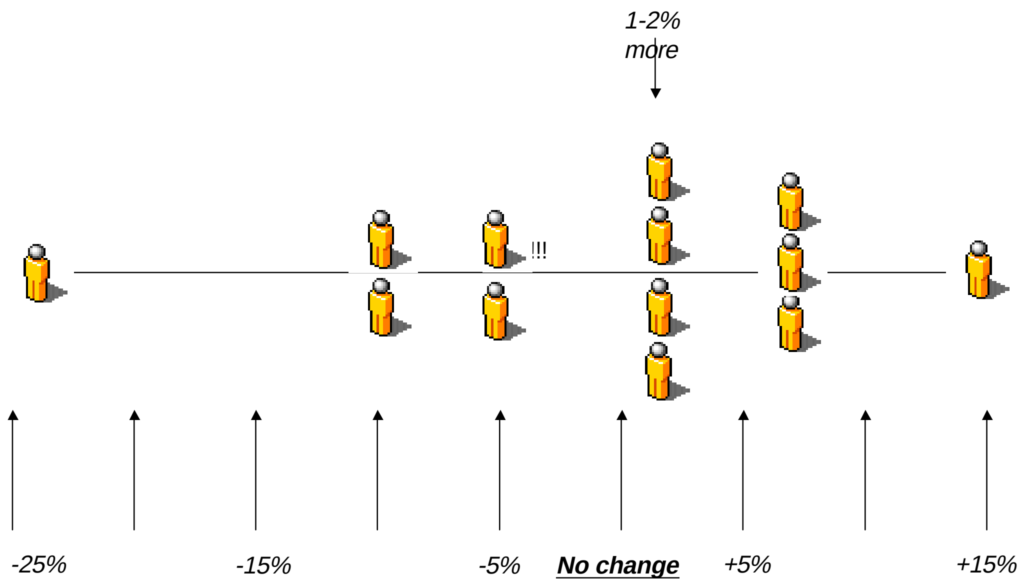
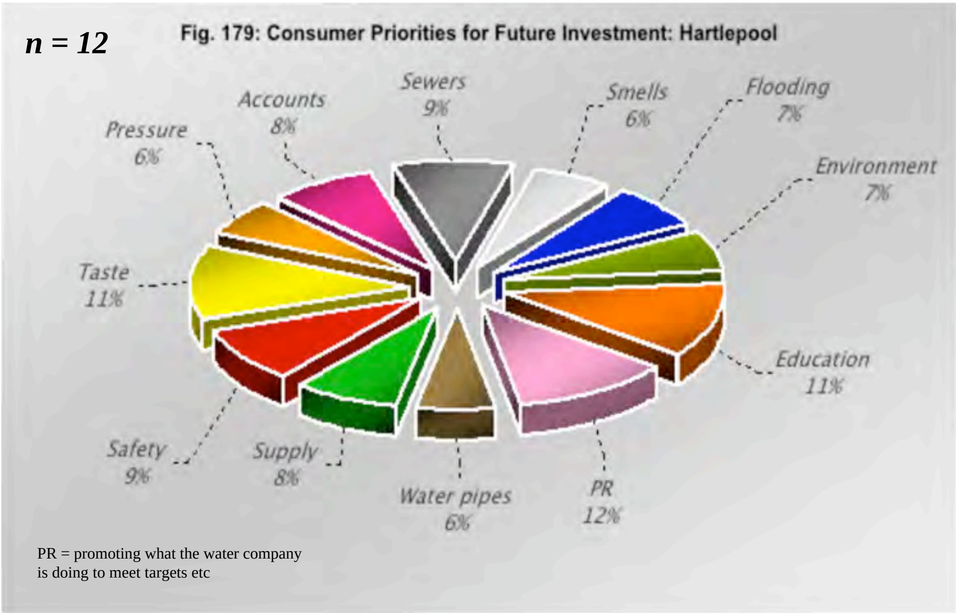


Fig. 178: Willingness to pay: Hartlepool




n = 12
Fig. 179: Consumer Priorities for Future Investment: Hartlepool
Sewers 9%
Accounts 8%
Smells 6%
Flooding 7%
Pressure 6%
Environment 7%
Taste 11%
Education 11%
Safety 9%
Supply 8%
Water pipes 6%
PR 12%
PR = promoting what the water company is doing to meet targets etc

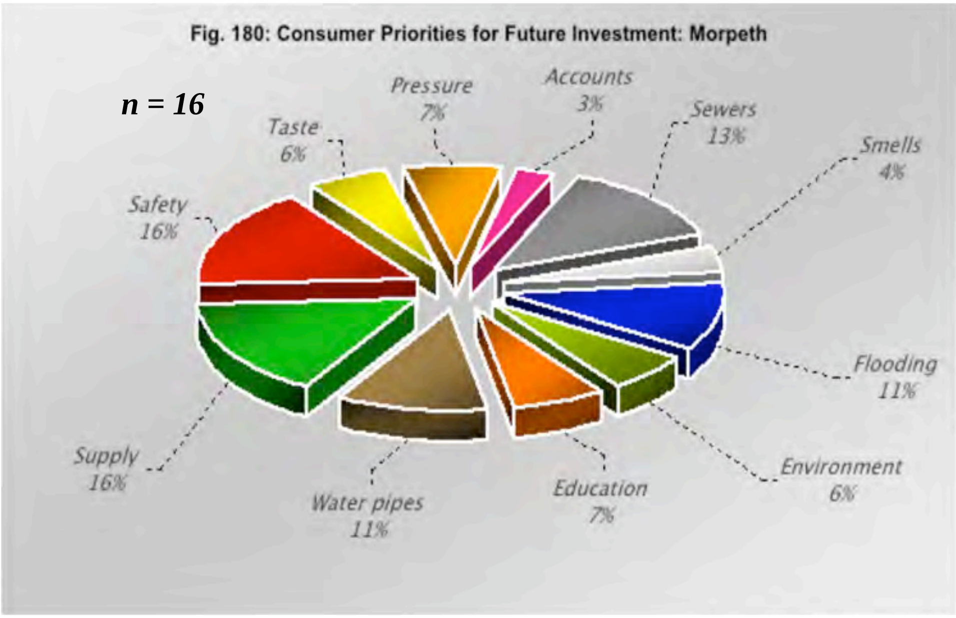


Fig. 180: Consumer Priorities for Future Investment: Morpeth
n = 16
Pressure 7%
Accounts 3%
Sewers 13%
Taste 6%
Smells 4%
Safety 16%
Flooding 11%
Supply 16%
Environment 6%
Education 7%
Water pipes 11%

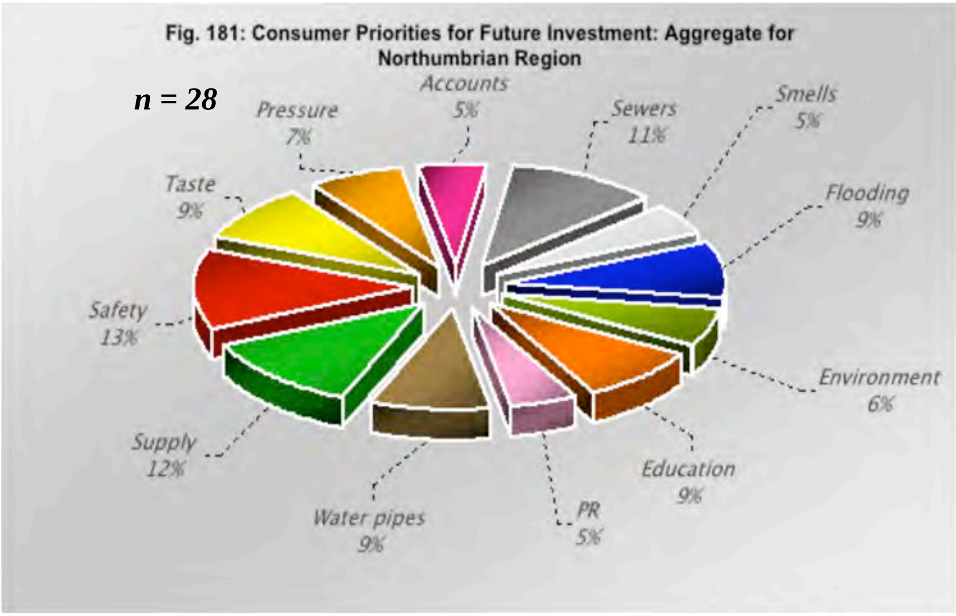


Fig. 181: Consumer Priorities for Future Investment: Aggregate for Northumbrian Region
n = 28
Pressure 7%
Accounts 5%
Sewers 11%
Smells 5%
Taste 9%
Flooding 9%
Safety 13%
Environment 6%
Supply 12%
Education 9%
Water pipes 9%
PR 5%

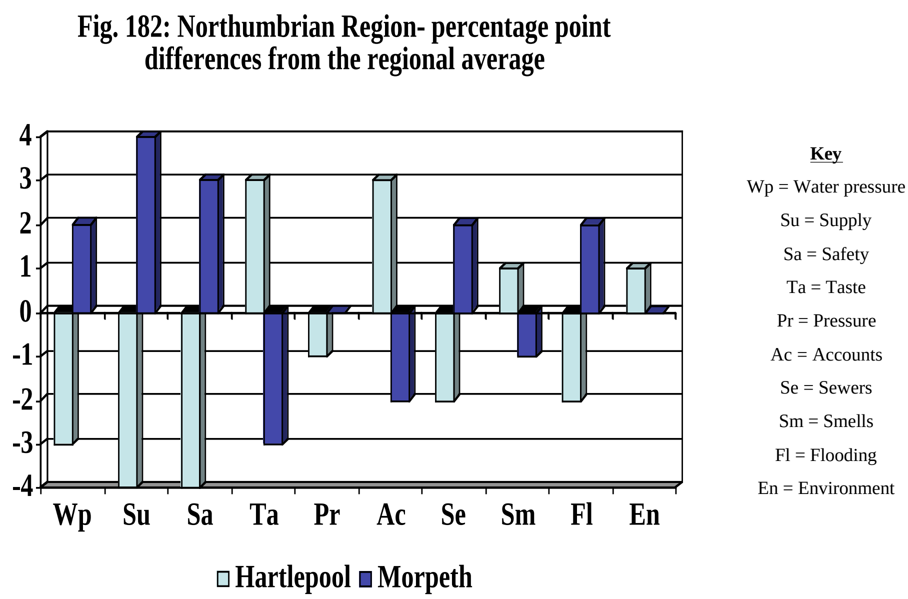


Fig. 182: Northumbrian Region- percentage point differences from the regional average
4
3
2
1
0
-1
-2
-3
-4
Wp
Su
Sa
Ta
Pr
Ac
Se
Sm
Fl
En
Hartlepool
Morpeth
Key
Wp = Water pressure
Su = Supply
Sa = Safety
Ta = Taste
Pr = Pressure
Ac = Accounts
Se = Sewers
Sm = Smells
Fl = Flooding
En = Environment