

Transfer of Private Sewers and Lateral Drains into Company Ownership

Final Report

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Executive Summary

Introduction

- 1.1 On 1 October 2011, the ten water and sewerage companies in England and Wales assumed ownership of private sewers and lateral drains which had formerly been the responsibility of property owners to repair and maintain. This concluded the process which started in 2003 when Defra and the Welsh Government (formerly Welsh Assembly Government) first consulted stakeholders, including householders, about the possibility of transferring ownership to water and sewerage companies.
- 1.2 All water and sewerage companies were legally bound to send their customers a transfer 'Notice' explaining the change in ownership by 1 August 2011.
- 1.3 This research report provides customer insight into three key challenges arising from the transfer which the water and sewerage companies should now consider:
 - whether communications about transfer of responsibility of private sewers and lateral drains¹ need to be continuous and more effective;
 - how sewerage companies can deliver an investment approach that best meets customers' service requirements; and
 - what bill impacts are preferable to customers (in terms of size of increment and timing).

Methodology

- 2.1 The methodology was a combination of:
 - qualitative research in September 2011 with domestic customers (via five focus groups) and depth interviews with 11 business customers to obtain detailed insight into their attitudes concerning the transfer, and levels of understanding of the complexities; and
 - a survey of 1,748 domestic and 150 business customers in November 2011 to quantify attitudes and concerns and provide CCWater with robust evidence on which to influence policy and industry actions. Most of the surveys (1520) were completed online, however a proportion of household surveys (228) were done face to face with households which do not have access to the internet.

Key Findings

Effectiveness of Communications

- 3.1 Initially, just under half of domestic customers (46%) and around one-quarter (27%) of business customers were able to confirm, without further prompting from the researcher, that they had received and read the company Notice.

¹ A sewer is a pipe that takes waste from the sink, toilet and bathroom to the Mains Sewer, and is shared by two or more properties or serves one property but lies under the boundary of another. A waste-water pipe that serves just one property is known as a Drain. A lateral drain starts from the boundary of a property and either connects into the main (public) sewer or into another private sewer, and serves one property.

- 3.2 After prompting with images of the relevant company Notice, recall increased to just over half of domestic customers (55%), and around two in every five (39%) business customers. Recall varied considerably by water and sewerage company; and the level of recollection and the likelihood of reading the Notice, also varied by wealth/education status, gender and whether the customer had experienced a blockage in the past.
- 3.3 Greatest recall came from: detached home-owners (65%); socio-economic groups² A/B (60%) and those with experience of dealing with a blockage (61% compared to 39% of customers who have not experienced a blockage); least recall came from people residing in flats, tenants (especially social housing), in socio-economic groups D/E (46%), and those having no access to the internet (42% compared to 58% of online customers).
- 3.4 Across all types of domestic and business customer, the great majority of those recalling the Notice had read it, at least in part. Overall, therefore, 52% of domestic customers and 37% of business customers had read it.
- 3.5 The most commonly remembered aspect of the Notice was that it was about a change of sewer ownership. However, only a minority of domestic and business customers could confirm reading about: who owns the different pipes (44% domestic and 44% business customers); how different types of property will be affected (38% and 44%); ways in which customers benefit (32% and 38%); increases in future bills (23% and 20%); and how customers can reduce the risk of blockages (20% and 16%).
- 3.6 Ownership of lateral drains seems to be a particular aspect that many customers have not understood. Just over half of domestic customers (55%) and less than half of business customers (44%) felt that they had understood the new arrangements fully. A further 41% of domestic and 53% business customers felt that they had understood arrangements with lateral drains only partly; leaving 4% of customers who had read the Notice being left none the wiser.
- 3.7 These research findings raise a question over the comprehensiveness of the water industry's attempts to notify all of its customers. Some six to eight weeks after 1st October, most customers could not recollect key details of the transfer so there is a need for the water industry to consider the benefits of a renewed attempt at informing the public. A number of considerations are put forward in the conclusions of the report.

Delivery of Investment

- 3.8 Customers had mixed views regarding how quickly water companies should repair non-urgent blockages in the newly transferred sewer network.
- 3.9 Around half of domestic customers (49%) want sub-standard sewers to be repaired as soon as possible, but more than one-third (35%) would rather these more costly repairs be deferred for a couple of years.
- 3.10 For business customers, the split between these two preferences was fairly even (42% and 41% respectively).

² Socio-economic groups designed to reflect social and economic well-being and status: Groups A/B – high & intermediate managerial (eg Bank Manager); C1/C2 – junior managerial, clerical, skilled manual, student; D/E – Semi-skilled & unskilled manual workers, pensioners with no private pension, those reliant on state support

- 3.11 Only a minority of domestic and business customers wanted to put off costly repairs beyond 2015.

Spreading the Cost

- 3.12 Domestic customers had mixed views as to when prices should start to increase to cover the additional cost of the extended sewer network.
- 3.13 In England, two-thirds (66%) of domestic customers preferred bill increases to be introduced sooner rather than later i.e. from 2013 in order to avoid potentially steeper increases in later years.
- 3.14 Amongst customers of Welsh Water, a slight majority (51%) preferred a specific bill increase profile of +£10 p.a. beginning in April 2013 and any short-fall in customer payments being included within the 2014 price determination and added to bills from April 2015. A further 19% of customers of Welsh Water preferred the option of a straightforward bill increase from April 2013.
- 3.15 Business customers also had mixed preferences. Around half (57%) preferred more gradual bill increases with price rises from April 2013 (particularly the smaller, micro-enterprises).
- 3.16 But a distinct and substantial minority (44%)³, especially larger businesses, preferred water companies to delay price increases until 2015 or beyond.
- 3.17 The overall preferences of customers as to how best water companies should manage the maintenance and repair of the extended sewer network, and the preferred bill profile, suggests that customers would support those water companies that seek to bring forward some of the repair work, and financing, rather than simply wait and incorporate the costs of sewer transfer into charges and investment plans from 2015.
- 3.18 People's preferences for the timing of the bill increase to cover the costs of private sewers and drains did not change with changing assumptions regarding the potential bill increase in 2015 to cover investment in other services.

Views in England and in Wales

- 3.19 Views between customers in England and Wales are broadly similar regarding the extent of recall, and understanding, of the company Notice on ownership transfer; and timing of repair of non-urgent blockages in the newly transferred sewer network. A key area of difference is in the profile of bill increases to cover the additional cost for water companies to manage the extended sewer network - with more than half of Welsh Water customers preferring bills to increase from April 2013, as identified in paragraphs 3.13/3.14 above.
- 3.20 Welsh Water customers were also keener than customers in England for their water company to do more to inform them about the transfer (being between 4-8 percentage points higher across different modes of information than customers in England, for each activity).

³ Due to rounding of results for each customer segment to the nearest 1%, figures do not always sum to 100%

1 Introduction

1.1 Background

1.1.1 On 1 October 2011, the ten water and sewerage companies in England and Wales assumed ownership of private sewers and lateral drains which had formerly been the responsibility of property owners to repair and maintain. This concluded the process which started in 2003 when Defra and the then Welsh Assembly Government (now Welsh Government) first consulted stakeholders, including domestic customers, about the possibility of transferring ownership to water and sewerage companies.

1.1.2 Until this time, sewerage companies were only legally required to maintain public sewers that they had constructed or 'adopted'. Homeowners with unadopted (private) sewers⁴ had been responsible for their maintenance and the associated costs. It is estimated that nearly half of all domestic properties are served by a private sewer and/or lateral⁵ drain – the ownership of which has just transferred.

1.1.3 One of the main motivations for the transfer of ownership was to release property owners from the costs and unpleasantness of being faced with potentially very high repair bills, and the prospect of negotiating the sharing of costs with neighbours who have shared use and responsibility for the affected sewer or drain. This often came as a shock to home-owners, most of whom did not realise they were responsible for the upkeep of these pipes.

1.1.4 Customers will benefit from this increased water company adoption as they will no longer:

- need to cover costs which could run into thousands of pounds, or arrange to have insurance to cover costs;
- for shared sewers and drains, need to arrange for monies to be split between affected neighbours; and
- for sewers and drains which run across private land, need to arrange permission for access from affected parties.

1.1.5 The scheme covers all household and most commercial properties⁶ in England and in Wales but some householders will see less benefit from this than others. The main beneficiaries will be those who are already aware that their private sewer/lateral drain is of a poor construction and this is causing blockages and possible risk of flooding from sewage. It is understood that there are several housing estates where the private sewer system is known to need significant capital investment and repair. These are often ex-council houses built post-1937 by local authorities in their capacity as local sanitary authorities and, therefore, are unlikely to have been adopted by the sewerage companies or their predecessors.

1.1.6 With more of the sewerage network under the management and ownership of a single organisation (i.e. the water and sewerage company), there will be other benefits over time as it will be possible to plan maintenance and resolve problems more easily and

⁴ a sewer is a pipe that takes waste from the sink, toilet and bathroom to the Mains Sewer, and is shared by two or more properties or serves one property but lies under the boundary of another. A waste-water pipe that serves just one property is known as a Drain.

⁵ a lateral drain starts from the boundary of a property and either connects into the main (public) sewer or into another private sewer. A lateral drain serves one property.

⁶ the transfer regulations make provision to exclude some properties from the transfer.

comprehensively, and probably more cost effectively, than when the network was under more fragmented ownership.

- 1.1.7 However, though the transfer of private sewers and laterals should make life easier for many customers, there will continue to be grounds for some confusion about responsibility amongst the public unless clear information is provided. In particular, post 1 October 2011, those waste pipes which serve just one property, and which are within the property boundary (such as a detached house on its own land), will continue to be treated as a private drain and will remain the responsibility of the property owner. Other pipes which have not transferred include: those connecting to privately-owned septic tanks, cess-pits or direct to a water-course; and those at large-multi occupier commercial sites e.g. industrial estates.
- 1.1.8 The transfer of private sewer pipes and laterals brings with it fresh challenges for the water industry. The condition of the adopted infrastructure is largely unknown as it was previously in fragmented ownership. However, it is thought that a significant proportion will be either of a construction which does not meet current standards, or in a poor state of repair. The scale of the adoption is also significant; some sewerage companies estimate that it has doubled their sewerage network.
- 1.1.9 Undoubtedly, the adoption will affect many aspects of water and sewerage companies' business, not only sewage operations but customer service and complaints which will require more staff. Sewerage charges will need to increase to cover the maintenance and repair costs of the extended sewerage network. The increase in bills is also related to how companies prioritise maintenance which is necessary, but may not be urgent (i.e. the sewer or drain may be of sub-standard construction but functioning). Prioritisation of repairs will determine how quickly customers start to see the benefits of adoption. If only urgent repairs are carried out then a smaller number of customers will benefit at first, but these should be those experiencing the worst service disruption. However, over time as more non-urgent repairs are carried out this will bring benefits to many more customers. If companies were to accelerate their repair schemes in order to bring service improvements to more customers more quickly it will also push their costs up more quickly.
- 1.1.10 In their Impact Assessment accompanying the 2010 consultation on the draft transfer regulations, Defra and the Welsh Government estimated the range of annual bill impacts to be £3 to £14 across the water and sewerage companies. However, the actual bill impact will not be known until some time after transfer, when sewerage companies have built up a picture of the condition, and number, of pipes they have inherited, and have made decisions about the scale and pace of the repairs or upgrades they will need to deliver.
- 1.1.11 The costs which companies incur will either be operational or capital costs. Clearing blockages from sewers and drains to restore service will be allocated against company operating costs. It will cost companies far less to clear blockages than to address sub-standard construction or any capacity issues which might be causing blockages.
- 1.1.12 Structural issues will need to be addressed via capital repair schemes which will take time to carry out – possibly several months depending on the scale of the problem. Capital repair schemes will cost much more than blockage clearing. For example, there are several housing estates across England and Wales where there is a history of blockages caused by sub-standard construction of ex-private sewers. These estates may need a large scale programme of replacement/upgrading in order to resolve these sometimes long-term service

1 Introduction

problems. Large scale schemes like these could cost hundreds of thousands of pounds but benefit many households. At the other end of the scale, there are individual properties where it may cost thousands for a capital repair scheme to improve service to benefit one household.

- 1.1.13 Each company will need to decide on their preferred balance of blockage clearance and capital repair schemes, and prioritise around this. In so doing, the water and sewerage companies will establish future service levels and bill impacts for their customers, in relation to the transfer of private sewers and laterals. As the consumer advocate in the water industry, CCWater wants to ensure that such company decisions take into account the views of their household and business customers.

1.2 Research Objectives

- 1.2.1 The research objectives were to:

- assess the effectiveness of the sewerage companies' information campaign (referred throughout this report as the 'Notice'), and what else companies should do to increase customer awareness; and
- provide customers' views on how they would like companies to approach upgrading the transferred network and, in particular, the pace of investment and its associated impact on bills.

- 1.2.2 This research provides customer insight into three key challenges for the industry:

- whether communications about transfer of responsibility need to be more effective;
- how sewerage companies can deliver an investment approach that best meets customers' service requirements; and
- what bill impacts are preferable to customers (in terms of size of increment and timing).

- 1.2.3 Obtaining the views of customers on whether the transfer should have gone ahead was outside the remit of this research, as the decision to proceed had already been made by government, and direct customer research⁷ on this had already been carried out.

- 1.2.4 CCWater will use the customer-based evidence in this report to

- provide an evidence based customer view to help inform sewerage company decisions about how and when to recover costs associated with the transfer from customers' bills; and
- assist the development of water and sewerage companies' 25-year Strategic Direction Statements, and 2015-20 business plans.

1.3 Report Structure

- 1.3.1 The remainder of this report comprises:

⁷ "Market Research on Proposed Transfer of Private Sewers" (July 2005), MVA Consultancy in association with WRc plc for Defra

- a description of the research methodology in **Chapter 2**;
- the main findings of the customer research on the key issues of impact of company Notice, priorities for resolving blockages, and bill profile preferences are reported in **Chapters 3, 4 and 5** respectively. Additionally, references are made to supplementary results tables in technical appendices; and
- the consultant's conclusions are provided in **Chapter 6**.

1.3.2 Accompanied with this report is a series of appendices, as follows:

- Appendix A – qualitative research discussion guide and show materials;
- Appendix B – quantitative survey questionnaire and show materials; and
- Appendix C – company Notices.

2 Research Methodology

2.1 Overview

2.1.1 Our adopted methodology was a combination of:

- qualitative research with domestic and business customers to obtain in-depth insight into people's attitudes concerning the transfer, and levels of understanding of the complexities; and
- a quantitative survey of domestic and business customers to quantify attitudes and concerns to provide CCWater with robust evidence on which to influence policy and industry actions.

2.1.2 Our approach to each of these two phases of research is described below.

2.1.3 The qualitative phase of research was undertaken in September 2011 (i.e. after the Company Notices had been issued but prior to the transfer on 1 October 2011), and the quantitative survey was undertaken in November 2011 (i.e. after the transfer).

2.2 Qualitative Research with Domestic and Business Customers

Sampling and Recruitment

2.2.1 We conducted five focus groups with domestic customers – one in each of the four English CCWater regions: Central and Eastern (Birmingham), Western (Truro), London and South East (Lewes), Northern (Lancaster) and one group in Wales (Coryton).

2.2.2 We identified domestic customers through qualitative 'free-find' techniques, with the following recruitment procedures:

- a short screening questionnaire was used to assess eligibility (i.e. screening out: those with properties connected to privately owned septic tanks, cess-pits, privately-owned sewerage treatment facilities and direct to water courses), and considered against quotas (see below);
- following recruitment a confirmation letter was sent out to respondents, providing details of the nature of the study, the voluntary nature of participation, the date/time/venue of the focus group and the confidentiality principles; and
- all participants were telephoned 24 hours before the focus groups to remind them and to confirm attendance.

2.2.3 As a thank you for their time, all participants received a cash incentive.

2.2.4 The locations of focus group venues ensured a wide spectrum of domestic customers, in terms of: region; metered/unmetered; rural/urban; age of property; bill level range; large land owners; and home-owners/tenants. Additionally, quotas were deployed for each focus group to ensure a range of different customer types were represented, in particular: SEG, gender, age, property-type (terraced, semi & detached); and drain/sewer blockage experience.

2.2.5 Details of the five focus groups are provided in Table 2.1.

Table 2.1 Recruitment for the Focus Groups with Domestic Customers

	CCWater Region	Metering	Rural/urban	Property age	Property Type	Special Note	Total
1	Central and Eastern (Birmingham)	mainly un-metered	urban	a mix	a mix of detached, semi, flat, terraced	a mix of blockage experience	8
2	Western (Truro)	mainly un-metered	urban: 3 rural: 4	a mix	a mix of detached, semi, flat, terraced	high bills; fairly rural	7
3	Wales (Coryton)	mainly un-metered	urban: 4 rural: 4	a mix	a mix of detached, semi, flat, terraced	large land owners	8
4	London & South East (Lewes)	all metered	urban: 4 rural: 4	pre-1937: 3 1937-1990: 2 post-1990: 3	a mix of detached, semi, flat, terraced	metered/ metering programme	8
5	Northern (Lancaster)	a mix	urban: 3 rural: 4	pre-1937: 1 1937-1990: 3 post-1990: 3	a mix of detached, semi, flat, terraced	Housing Association & Council tenants	7

2.2.6 We conducted depth interviews with 11 business customers (3 in Wales and 8 in two regions of England). We targeted representatives who, collectively, cover different perspectives according to:

- small/large commercial operations (defined by turnover);
- age of building (pre- and post 1937); and
- different types of business, in particular Food Service Establishments (FSEs) and other types of business that are likely to have special concerns with the transfer.

2.2.7 The researchers felt it was especially important to consult with managers or owners of cafés, restaurants and hotels serving food because they might have a particular interest in sewer ownership on two accounts:

- first, many FSEs report problems of blockages caused by fats, oils and grease (FOG) from the kitchens which, when in the sewer, act as a 'glue' for all other inappropriate items that are flushed away; and
- second, the consequences of a blockage are, arguably, far more serious than for most other businesses as Environmental Health will insist that the premises stops operating until the health hazard is removed, and the smell and sight would also put customers off (possibly permanently).

2.2.8 Participating businesses covered the following perspectives:

- 4 FSEs: a cafe, a conference centre, a coffee house and a restaurant; and
- 7 non-FSEs: a charity, a theatre, a B&B, a brewery, a beauty parlour, a farm and a hair-dresser.

2.2.9 Incentives in the form of vouchers and charity donations enabled MVA to exceed our target.

Qualitative Interview Content

2.2.10 The same broad content was used for both the group discussions with domestic customers, and the depth interviews with business customers. The topics covered were:

Customer Response to Company Notice:

- Discussion on who is responsible for the maintenance and repair of different sections of their waste-water pipes.
- Discussion concerning levels of awareness of the imminent transfer of private sewers. [Note, all water and sewerage companies were legally bound to send their transfer Notice explaining the change in ownership by 1 August 2011 to all their customers].
- Discussion on the effectiveness of the different Company Notices, in terms of clarity of message – using, as stimulus, the actual Notices sent by different companies.

Likely Customer Response to Repairing Privately-owned Sub-standard pipes:

- Discussion on customers' wishes, or not, to be informed of sub-standard pipes that they will continue to be responsible for.
- Discussion on customers' potential future flushing behaviour given that responsibility for some waste-water pipes were soon to transfer away from them.

Customer Preferences for Sewer Maintenance and Repair

- Discussion on bill profiling and speed of renewal using different assumptions about potential price increases to cover other services from April 2015.

2.2.11 A copy of the topic guide and show material used is provided in Appendix A.

2.3 Quantitative Research with Domestic and Business Customers

Sampling and Survey Administration

2.3.1 We adopted a combination of online and face-to-face survey approaches to obtain a representative sample of domestic and business customers.

2.3.2 Online surveys are very effective at reaching a representative household sample of the population who have access to the internet (approximately 82% in England and Wales). Face-to-face interviewing offers an effective means of obtaining the views of a random sample of people in England and Wales who do NOT have access to the internet. The two survey mechanisms therefore complement each other, especially as those without access to the internet have, by definition, fewer options to gain information than other customers and so may be more reliant upon the water and sewerage company's communications; and they

are also more likely to be vulnerable customers – a customer group that is therefore especially important to have representation.

- 2.3.3 In parallel, we obtained interviews with business customers using an online survey method. All businesses can be assumed to have access to the internet (via public areas in the unlikely event that there is none in the 'office' or there is no office) so such an approach was considered both cost-effective and technically acceptable.

Questionnaire Content

- 2.3.4 The questionnaire was similar for both the domestic and business customers, and had the following main sections:

- experience of any sewer problems;
- recollection, or otherwise, of the Company Notice, and based on this, perceived level of understanding about the transfer;
- inclusion of a carefully designed explanation of waste-water pipe ownership before and after the transfer;
- level of understanding about the transfer following this explanation ['informed' view];
- priorities for repairing sub-standard sewers and clearing blockages;
- timing of bill increases;
- questions on the respondent's property type, status of ownership, and age; and
- household and business demographics.

- 2.3.5 The interview took around 20 minutes, on average.
- 2.3.6 The factsheet explaining the transfer of private sewers and laterals was customised to each respondent's own circumstances, and included water company Notice; whether owner or tenant; a pre-1937 or post-1937 property; and whether a flat, terraced, semi-detached or detached property.
- 2.3.7 A copy of the face-to-face survey questionnaire and show material is provided in Appendix B.

Quantitative Data Weighting and Analysis

- 2.3.8 Across the two sub-samples, we achieved a final sample of 1,748 domestic customer interviews. This comprised 1,520 internet-accessible domestic customers and 228 with no access to the internet. The data was, therefore, weighted to give an overall proportion of 82:18 respectively so that our subsequent analysis was representative of the proportion of household population with and without access to the internet. A sample of 150 business interviews was obtained.
- 2.3.9 The implied confidence intervals for the reported findings, by domestic and business customer and overall, is given in Table 2.2.

Table 2.2 Confidence Intervals for Reported Findings

	95% Confidence Intervals
Domestic Customers (N=1,748 respondents)	circa ±2%
Business Customers (N=150 respondents)	circa ±8%
All Customers (N=1,898 respondents)	circa ±2%

2.3.10 This means that if 50% of our domestic sample had never experienced a blockage in their current home then we could be 95% certain that between 48% and 52% of the population of customers in England and Wales had never experienced a blockage in their current home.

2.3.11 In analysis and reporting, we firstly show the results of questions for domestic and for business customers. And then results are shown for domestic customers by water and sewerage company, and for business customers by turnover which is used as a proxy for differentiating between microenterprises, medium-sized and large enterprises⁸.

⁸ The sample size of 150 is too small to enable a robust analysis of business responses by region

3 Customers' Views on Company Notices

3.1 Introduction

3.1.1 In this chapter we report domestic and business customers' reaction to the Company Notice which was sent in July to all customers. (Note, a copy of the Company Notice for each water and sewerage company is provided in Appendix C). These findings thereby reflect customers' level of recall two months or more after the Notice was sent.

3.1.2 The questions posed to respondents on this issue were similar for both domestic and business customers, and covered:

- (unprompted) level of recall of receiving a Notice or leaflet on the subject of sewer transfer from their water and sewerage company;
- level of recall amongst those who required a prompt (a copy of the Company Notice);
- extent to which the Notice was actually read, key messages absorbed and, overall, considered to be clear;
- level of understanding following the provision of further explanatory information within the survey; and
- thoughts on what more sewerage companies should do to inform customers.

3.1.3 Unless otherwise stated, the sample size that applies to each results table is 1,748 domestic customers and 150 business customers.

3.1.4 For each key research question, we first report the results for all customers split by domestic and business. We then report the results for domestic customers segmented by water and sewerage company, and then the results for business customers segmented by size. The base sample, and sub-sample, size is given in the first set of results tables, and apply for all other questions, except where explicitly stated.

3.1.5 Additional segmented analysis was carried out on each key research question, by property and household characteristics. Significant differences are referenced in the main report.

3.2 Customer Response to the Company Notice

Recall of Company Notice - unprompted

3.2.1 Table 3.1 shows the proportion of customers who recalled receiving the Company Notice (with no prompting).

Table 3.1 Percentage of all Customers Recalling Receipt of the Company Notice [No prompt]

		Domestic	Business
Received leaflet	Yes	46%	27%
	No	37%	42%
	Don't know	18%	31%
Total (%)		100%	100%
(Base)		1748	150

Table 3.1a Percentage of all Domestic Customers Recalling Receipt by Water and Sewerage Company [No prompt]

		Who supplies your sewerage service?										Total
		Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	
Received leaflet	Yes	47%	42%	36%	50%	49%	43%	39%	42%	42%	61%	46%
	No	36%	40%	51%	31%	35%	37%	39%	39%	43%	25%	37%
	D/k	17%	19%	14%	18%	16%	20%	22%	19%	15%	14%	18%
Total (%)		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(Base)		246	86	104	258	209	88	281	235	77	164	1748

Table 3.1b Percentage of all Business Customers Recalling Receipt by Turnover [No prompt]

		Company Turnover Group			Total
		Up to £100k	£101k to £500k	Over £500k	Eng & Wales
Received leaflet	Yes	32%	14%	24%	27%
	No	41%	24%	54%	42%
	Don't know	27%	62%	22%	31%
Total (%)		100%	100%	100%	100%
(Base)		92	21	37	150

3.2.2 The results show that just under half of domestic customers (46%), and just over one in four business customers (27%), recalled receiving the Notice, unprompted.

Recall of Company Notice - prompted

3.2.3 Table 3.2 shows the proportion of customers who recalled receiving the Company Notice (including after prompting with a copy of the Notice). Around one in ten of domestic and business customers, who did not initially recall the Notice, remembered doing so once the Notice was shown to them by the researchers.

Table 3.2 Percentage of all Customers Recalling Receipt of the Company Notice [including after prompting]

		Domestic	Business
Received leaflet	Yes	55%	39%
	No	45%	61%
Total (%)		100%	100%
(Base)		1748	150

Table 3.2a Percentage of all Domestic Customers Recalling Receipt by Water and Sewerage Company [including after prompting]

		Who supplies your sewerage service?										Total
		Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	England & Wales
Received leaflet	Yes	52%	54%	38%	60%	61%	54%	49%	57%	49%	71%	55%
	No	48%	46%	62%	40%	39%	46%	51%	43%	51%	29%	45%
Total (%)		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(Base)		246	86	104	258	209	88	281	235	77	164	1748

Table 3.2b Percentage of all Business Customers Recalling Receipt by Turnover [including after prompting]

		Company Turnover Group			Total
		Up to £100k	£101k to £500k	Over £500k	Eng & Wales
Received leaflet	Yes	45%	33%	30%	39%
	No	55%	67%	70%	61%
Total (%)		100%	100%	100%	100%
(Base)		92	21	37	150

3.2.4 The results show that just over half of domestic customers (55%), and more than one in three business customers (39%), recall receiving the Notice, after prompting.

3.2.5 Recollection amongst domestic customers varied considerably by water and sewerage company, from 38% of Northumbrian Water customers to 71% of Yorkshire Water customers⁹; which is a statistically significant difference at both the 95% and 99% level. Our analysis by different characteristics showed that the off-line community were much less likely to recall receiving the Notice than customers with access to the internet (42% and 58% respectively); customers with no experience of a blockage were less likely to recall receiving the Notice than customers with experience of a blockage (39% and 61%

⁹ Note, sub-samples are quite small (104 for Northumbrian Water and 164 for Yorkshire Water) but still sufficient to give a strong indicator of recall at a regional level

respectively); and lower socio-economic group¹⁰ D/E were significantly less likely¹¹ to recall receiving the Notice than customers in socio-economic group A/B (46% and 60% respectively). There will be some overlap of these findings since many off-line customers are in lower socio-economic groups, but it would seem that both the lack of access to information (via the web) and possibly lower educational attainment makes this group an especially hard customer group to inform.

- 3.2.6 The level of recall amongst businesses was lowest for those with greatest turnover, with small businesses (turnover up to £100k) responding most similarly to domestic customers (45% recall) and less than one in three larger businesses recalling receipt.
- 3.2.7 Qualitative evidence suggests that lack of recollection may be down to many customers failing to appreciate the significance of the contents of the Notice letter and/or failing to differentiate the Notice from other non-requested 'marketing' received through the door.

"If it looks like junk mail, I just sling them" [Severn Trent Water customer]

"I wouldn't have opened it if was just addressed to the Occupier, I would have chucked it away straight away" [South West Water customer]

- 3.2.8 For many customers, the Notice came to houses addressed to the 'Occupier' which qualitative research participants believed was the main reason that many did not recall seeing it. Even those focus group participants who did open it would not necessarily usually open mail addressed in this way, so the feeling amongst the groups was that if the Notice had been personalised it would have had more of an impact.
- 3.2.9 A similar situation applies to business customers.

"I can't recall seeing one...(then when shown letter) I probably have seen this, yes. I just sort of scanned it over" [Restaurant]

"There is zero chance I received this letter. All mail comes through me and I would have clocked this as important" [Brewer]

Likelihood of Reading the Notice

- 3.2.10 Across all types of domestic and business customer, the great majority of those recalling the Notice had read it, at least in part. Overall, therefore, 52% of domestic customers and 37% of business customers had read it.

¹⁰ Socio-economic groups designed to reflect social and economic well-being and status: Groups A/B – high & intermediate managerial (eg Bank Manager); C1/C2 – junior managerial, clerical, skilled manual, student; D/E – Semi-skilled & unskilled manual workers, pensioners with no private pension, those reliant on state support

¹¹ At the 95% level of statistical significance

3 Customers' Views on Company Notices

3.2.11 The percentage of all customers who had partially, or fully, read the Notice is reported in Table 3.2c.

Table 3.2c Percentage of all Domestic Customers Partly or Fully Reading the Notice by Water and Sewerage Company [including after prompting]

		Who supplies your sewerage service?										Total
Read Notice?		Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	England & Wales
Yes		48%	51%	36%	57%	58%	52%	46%	53%	43%	65%	52%
No		52%	49%	64%	43%	42%	48%	54%	47%	57%	35%	48%
Total (%)		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(Base)		246	86	104	258	209	88	281	235	77	164	1748

3.2.12 Analysis by other profile characteristics revealed significant differences in level of 'interest' amongst men and women, with approximately 60% of men and only 45% of women confirming that they had read the Notice; 55% of the online community having read it compared with just 37% of those with no access to the internet; and 56% of A/Bs having read it compared with just 43% of D/Es. Again, there is overlap in some of these findings.

3.3 Detailed Information Recalled

3.3.1 Amongst the sub-samples of customers who read the Notice (916 domestic customers and 55 business customers), the detailed aspects that were most commonly recalled were (in descending order):

- change of ownership of sewers and some drains (79% of domestic customers who read the Notice and 69% of business customers who read the Notice);
- who owns the different pipes (44% of domestic customers and of business customers);
- how different types of property will be affected (38% of domestic customers and 44% of business customers);
- ways in which customers benefit (32% of domestic customers and 38% of business customers);
- increases in future bills (23% of domestic customers and 20% of business customers); and
- how customers can reduce the risk of blockages (20% of domestic customers and 16% of business customers).

3 Customers' Views on Company Notices

- 3.3.2 These findings show which of the key messages had been absorbed by customers after at least a two-month period. Results by water and sewerage company show a fairly similar pattern. Of particular note was the variability in recollection of bill impacts (from 6% Wessex Water and 13% Welsh Water to 36% Anglian Water); and customer benefits (from 10% South West Water to 37% Welsh Water and 42% Wessex Water; the difference between water and sewerage companies with low recall and those with high recall are statistically significant¹²).
- 3.3.3 Amongst business customers, micro-enterprises were more likely to remember how different properties will be affected and information showing different pipes; whilst larger businesses recalled the ways in which customers will benefit.
- 3.3.4 Ownership of lateral drains seems to be a particular aspect that many customers have not understood. Just over half of domestic customers (55%) and less than half of business customers (44%) felt that they had understood the new arrangements fully. A further 41% of domestic and 53% of business customers felt that they had understood arrangements with lateral drains only partly; leaving 4% of customers who had read the Notice being left none the wiser.
- 3.3.5 The level of understanding was fairly similar amongst domestic customers across the regions, and amongst different types of business.

3.4 Overall Clarity of Company Notice and Survey Material

- 3.4.1 The degree of clarity of the Notice for those customers who read it is reported in Table 3.3 for domestic and business customers, and 3.3a and 3.3b at a segmented level.

Table 3.3 Amongst those who Read the Notice, Percentage who Think It Was Clear

How clear do you feel this information was about the change in your own sewer ownership responsibilities?	Domestic	Business
Very clear	24%	22%
Fairly clear	58%	60%
Not very clear	17%	18%
Very unclear	2%	0%
Total (%)	100%	100%
(Base)	916	55

¹² Note, confidence intervals at water and sewerage company level indicate differences of more than around $\pm 10\%$ imply a statistical difference at the 95% level

Table 3.3a Amongst Domestic Customers who Read the Notice, Percentage who Think It Was Clear by Water and Sewerage Company

How clear do you feel this information was about the change in your sewer ownership responsibilities?	Water and sewerage company										Total
	Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	
Very clear	24%	11%	19%	17%	33%	26%	27%	22%	18%	26%	24%
Fairly clear	53%	68%	57%	57%	57%	52%	57%	62%	56%	62%	58%
Not very clear	22%	21%	24%	23%	8%	16%	16%	14%	24%	9%	17%
Very unclear	1%			2%	2%	6%		2%	3%	3%	2%
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(Base)	119	44	40	148	120	45	131	129	34	106	916

Table 3.3b Amongst Business Customers who Read the Notice, Percentage who Think It Was Clear by Turnover

How clear do you feel this information was about the change in your sewer ownership responsibilities?	Company Turnover Group			Total
	Up to £100k	£101k to £500k	Over £500k	
Very clear	21%	43%	10%	22%
Fairly clear	63%	43%	60%	60%
Not very clear	16%	14%	30%	18%
Very unclear	0%	0%	0%	0%
Total (%)	100%	100%	100%	100%
(Base)	38	7	10	55

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3.4.2 The results show that:

- 82% of domestic customers who read the Notice, and 82% of business customers who read the Notice, considered it to be (fairly/very) clear; and
- around one in six considered it (fairly/very) unclear.

3.4.3 The proportion of domestic customers who considered the Notice to be unclear ranged from one in ten Southern Water and Yorkshire Water customers to one in four Severn Trent Water and Wessex Water customers; the regional extremes are statistically significantly different at the 95% level. Amongst businesses, large company representatives were twice as likely to consider the Notice to be unclear than representatives of smaller companies (30% compared with 15%).

3.4.4 Analysis by other profile characteristics revealed significant differences in level of 'reported' understanding between those in detached and semi-detached properties (81% clear) and those residing in flats (72%); between those owning their home (82%) and those renting from a Housing Association (67%); and between online customers (83%) and offline customers (74%).

3.4.5 Areas of confusion revealed through the focus group research included:

- the lack in some Notices, of an 'After Transfer' diagram to illustrate the new arrangement from October seemed (to focus group participants) to assume that customers understand the existing situation when the majority of the group did not;
- information relating to flats and apartments was felt to be poor;
- many owners of older properties expressed confusion over which pipes had changed ownership;
- what new powers the water and sewerage company will have – especially the rights of access that the sewerage company and (more worrying) their subcontractors have; and
- some technical terms lacked an explanation and the water and sewerage company should not assume people understand the differences between different types of drains.

3.4.6 Other qualitative insights suggest more fundamental misunderstandings:

"It was unclear enough for me to then go on the internet and find out exactly what it meant" [South West Water customer]

"I got the impression someone else was going to be responsible for water supply or discharge from the one running it now" [Southern Water customer]

"Until you mentioned [show material] that the age of the property would affect the change of ownership I didn't know this would be a factor. I don't think this is mentioned in the document [Notice]" [Business customer]

3.4.7 Other verbatim comments imply that some sewerage companies were overly formal in their communication and that they all missed out on sending a more positive message.

“If my mum had that [Company X’s Notice] through, she would phone me up panicking saying that she has had some sort of summons from the water board” [Severn Trent¹³ Water customer]

“What strikes me as odd is that none of them actually say the good news that is: ‘if you have a problem it won’t cost you any money’” [South West Water customer]

3.4.8 The perceived degree of clarity of the show material for all customers is reported in Table 3.4 for domestic and business customers, and 3.4a and 3.4b at a segmented level. In general, domestic and business customers found the material used in the survey¹⁴ to be as clear, or clearer than their Company Notice regarding understanding of their own responsibilities.

Table 3.4 Percentage of All Customers who Consider the Survey Explanation to be Clear

	Domestic	Business
From the information you have just seen, how clear or unclear do you feel about your sewer ownership responsibilities?		
Very clear	50%	41%
Fairly clear	42%	50%
Not very clear	7%	7%
Very unclear	1%	2%
Total (%)	100%	100%
(Base)	1748	150

¹³ Note, participants in the qualitative research were presented with the Company Notice of all 10 sewerage companies, to discuss which seemed more/less clear so comments do not necessarily refer to their own sewerage service provider’s Notice.

¹⁴ Details can be found in Appendix B

Table 3.4a Percentage Domestic Customers who Consider the Survey Explanation to be Clear by Water and Sewerage Company

From the information you have just seen, how clear or unclear do you feel about your sewer ownership responsibilities?	Water and sewerage company										Total
	Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	England & Wales
Very clear	47%	47%	34%	50%	56%	43%	52%	51%	49%	55%	50%
Fairly clear	41%	46%	51%	40%	37%	43%	41%	44%	46%	38%	42%
Not very clear	11%	7%	14%	9%	5%	13%	4%	4%	5%	6%	7%
Very unclear	1%		1%	1%	2%		3%	0%		1%	1%
Total (%)	100	100	100	100	100	100	100	100	100	100	100%
(Base)	%	%	%	%	%	%	%	%	%	%	1748
	246	86	104	258	209	88	281	235	77	164	

Table 3.4b Percentage Business Customers who Consider the Survey Explanation to be Clear (by Turnover)

From the information you have just seen, how clear or unclear do you feel about your sewer ownership responsibilities?	Company Turnover Group			Total
	Up to £100k	£101k to £500k	Over £500k	Eng & Wales
Very clear	39%	52%	41%	41%
Fairly clear	54%	33%	49%	50%
Not very clear	5%	10%	8%	7%
Very unclear	1%	5%	3%	2%
Total (%)	100%	100%	100%	100%
(Base)	92	21	37	150

3.4.9 The views of domestic customers were fairly similar across the water and sewerage companies, with typically more than 90% of all domestic and business customers considering the show material to be fairly or very clear. Those customers finding it most unclear were

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those of Northumbrian Water (15%) and South West Water (13%); and representatives of medium and large enterprises (11-15%).

- 3.4.10 Further analysis shows that those domestic customers who were most likely to consider the explanatory material to be unclear were living in a rented property (18%); and/or in a lower socio-economic group (15%); and/or have no access to the internet (22%).
- 3.4.11 Amongst those domestic customers who had read the Company Notice and, hence, could compare its clarity with that of the show material, just under half considered the show material to be clearer (with a similar proportion considering the clarity to be much the same; and just 4% considering it less clear).
- 3.4.12 Of course, respondents had no choice but to engage and read the stimulus material in order to answer the subsequent questions – nevertheless, the greater clarity reported by respondents suggests that the customisation of information according to type of property (terraced, semi-detached, detached) and age (pre-1970, post-1970) helps understanding, and should be considered if any future information is provided.

3.5 Customer Views on Further Actions by Water Companies

- 3.5.1 Most customers (83% of domestic and of business customers) think the water and sewerage companies need to do more to get the key messages across to customers. The proportions of customers wanting to see additional activity is reported in Tables 3.5, 3.5a and 3.5b.

Table 3.5 Percentage Customers who want their Water and Sewerage Company to do More to Communicate

Anything more companies should be doing?	Domestic	Business
Include information with the bill	70%	69%
Information on home page of website	27%	43%
Adverts in public areas	25%	35%
Adverts via local media	22%	29%
No, the leaflet received was sufficient	17%	17%
Other	3%	3%
Base (N)	1748	150

Table 3.5a Percentage Domestic Customers who think their Water and Sewerage Company Should be Doing More to Inform Customers

Anything more companies should be doing	Water and sewerage company										Total
	Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	
Include information with the bill	66%	75%	50%	77%	74%	64%	73%	68%	82%	67%	70%
Info on home page of website	29%	31%	19%	27%	31%	21%	25%	26%	24%	36%	27%
Adverts in public areas	28%	33%	24%	24%	23%	30%	28%	24%	15%	25%	25%
Adverts via local media	17%	29%	30%	27%	18%	23%	19%	25%	24%	17%	22%
No, leaflet rec'd was sufficient	19%	14%	27%	14%	17%	19%	16%	17%	13%	19%	17%
Other	3%	7%	6%	3%	3%	3%	1%	2%	0%	4%	3%
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(Base)	246	86	104	258	209	88	281	235	77	164	1748

Table 3.5b Percentage of Business Customers who Want their Water and Sewerage Company to do More by Turnover

Anything more companies should be doing	Company Turnover Group			
	Up to £100k	£101k to £500k	Over £500k	Eng & Wales
Include information with the bill	67%	76%	70%	69%
Info on home page of website	43%	43%	41%	43%
Adverts in public areas	34%	43%	35%	35%
Adverts via local media	32%	38%	16%	29%
No, leaflet received was sufficient	20%	14%	11%	17%
Other	3%	5%	0%	3%
Base (N)	92	21	37	150

3 Customers' Views on Company Notices

3.5.2 For all types of customer, the specific areas where it was felt water and sewerage companies should do more were as follows (in descending order):

- include further clarification with the next bill (70% of domestic customers who read the Notice and 69% of business customers who read the Notice);
- place additional clarification on the company website¹⁵ (27% of domestic customers and 43% of business customers);
- place adverts in public areas (25% of domestic customers and 35% of business customers); and
- place adverts in local media (22% of domestic customers and 29% of business customers).

3.5.3 Welsh Water customers were keener than customers in England for their water company to do more (being between 4-8 percentage points higher than for customers in England, for each activity).

3.5.4 The qualitative research highlighted that many business customers were keen on receiving better information on all types of property so that they could clearly identify the impacts for their own business property (including more complex set-ups, such as industrial and other commercial estates).

¹⁵ Companies already have an area dedicated to the transfer of private sewers and laterals on their websites. The results suggest that many customers are unaware of this and/or do not check websites to find information of this kind; nevertheless they think that information on company websites would in some way help.

4 Customers' Priorities for Company Response to Blockages, & Existing Experience

4.1 Introduction

4.1.1 In this chapter we report customers' preference for how the water and sewerage company should respond to blockages in:

- newly transferred pipes; and
- still privately-owned drains.

4.1.2 These two questions were answered by the whole sample of 1,748 domestic customers and 150 business customers, and the results are reported in the following sections.

4.1.3 The final section of this chapter sets out existing experience of blockages amongst domestic customers.

4.2 Customer Views on Company Response to Blockage in Newly-Transferred Sewer

4.2.1 Respondents were asked how quickly they would prefer repairs to be carried out on newly transferred pipes which, in the view of an engineer, could continue to function without a subsequent collapse/blockage for a few more years, but would ultimately need to be replaced. The following text set the scene:

"From 1 October, water and sewerage companies have a much bigger sewer network to maintain – in some cases it will be twice the size it was. It will cost them more to maintain this larger sewer network, but the exact costs are unknown because up until 1st October it has been homeowners who have paid for this. The extra costs of sewers and drains will be spread across all household and business customer bills.

*Blockages and very serious problems needing immediate repair will always be prioritised by the water and sewerage company. There will also be less urgent cases where the company has a choice between visiting to clear recurring blockages **OR** carrying out an expensive repair to prevent these blockages.*

Since the costs of maintaining the companies' much bigger sewer network will mean higher bills for all customers (and reduced homeowner responsibility for maintaining pipework themselves) we need to understand customers' preferences with regard to the timing of repair work over the next few years. In a moment I shall show you 3 potential service options. Please tell me which you prefer?

Whichever option (A, B, C) you choose, the bills will increase to cover the same overall cost of management of the expanded sewer network over the longer term."

4.2.2 The three options given were as follows.

	Level of Service	Bill Impacts
Service Option A	<p>Clear the blockage and arrange a repair to fix the structural problem as soon as possible.</p> <p>Less chance of future blockages and disrupted service.</p>	<p>The company has more expense sooner because it costs much more to repair pipes and drains than it does to just clear blockages. If a lot of repairs are done soon after the transfer then this will mean a bigger price increase to cover this.</p>
Service Option B	<p>Clear the blockage and defer more costly repair for 2 years unless urgent.</p> <p>Re-visit repeatedly to unblock until repairs are made. More chance of short-term disruption to service as it takes longer for repairs to be done.</p>	<p>The company has less immediate expense than Option A as it plans to do fewer repairs over the first couple of years. It prioritises some repairs and defers others for 2 years. Costs are less in the shorter term, but the deferred repairs will mean a bigger price increase after a couple of years.</p>
Service Option C	<p>Clear the blockage, and defer costly repair until some time after April 2015.</p> <p>Re-visit repeatedly to unblock until repairs are made. More chance of short and medium-term disruption to service as unless very urgent it could be a few years before repairs are done.</p>	<p>The company has less immediate expense than for Options A and B. It prioritises clearing blockages and urgent repairs until at least April 2015.</p> <p>Bills increase sharply after April 2015 as Ofwat will expect companies to fix backlog that cannot be deferred any longer.</p>

4.2.3 Further contextual information about Ofwat's forthcoming price review was available to those respondents who wanted it (typically via pop-ups), as follows.

"Ofwat is the economic regulator and part of their role is to set price changes over 5 yearly pricing periods. Prices are currently agreed until the end of March 2015. These prices do not include the extra costs of the sewers and drains which companies are responsible for from 1 October 2011 as these costs were not known when prices were last set. So companies have three and half years of costs (from 1 October 2011 to 31 March 2015) for additional sewers and drains which are not yet included in bills"

- 4.2.4 Table 4.1 shows the preferred company response to a blockage/repair in a recently-transferred sewer amongst domestic and business customers.

Table 4.1 Customers' Preferred Company Response to a Blockage in a Recently Transferred Sewer

Priorities for repairing sub-standard sewers and clearing blockages	Domestic	Business
Clear blockage and arrange repair as soon as possible	49%	42%
Clear blockage and defer more costly repairs for 2 years unless urgent	35%	41%
Clear blockage and defer costly repairs until some time after April 2015	16%	17%
Total (%)	100%	100%
(Base)	1748	150

- 4.2.5 The option with greatest support (though preferred by less than half) was the highest service level option where the sewerage company would clear the blockage and arrange for the repair as soon as possible (49% domestic customers and 42% business customers). Almost as many business customers preferred the sewerage company to defer the more expensive repairs for a couple of years. There was least support for water and sewerage companies to defer the more costly repairs until after 2015 with around one in six domestic and business customers favouring this option. These preferences did not vary according to whether, or not, the respondent had experienced a blockage previously.
- 4.2.6 Tables 4.1a and 4.1b provide segmented results by water and sewerage company and by turnover respectively.

Table 4.1a Domestic Customers Preferred Company Response by Water and Sewerage Company

Priorities for repairing sub-standard sewers and cleaning blockages	Water and Sewerage company											Total
	Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	England & Wales	
Clear blockage and arrange repair as soon as possible	56%	46%	54%	48%	47%	49%	48%	38%	55%	54%	49%	
Clear blockage and defer more costly repairs for 2 years unless urgent	31%	38%	31%	36%	43%	29%	35%	34%	33%	34%	35%	
Clear blockage and defer costly repairs until some time after April 2015	13%	15%	15%	16%	10%	22%	16%	28%	12%	12%	16%	
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
(Base)	246	86	104	258	209	88	281	235	77	164	1748	

Table 4.1b Business Customers Preferred Company Response by Turnover

Priorities for repairing sub-standard sewers and cleaning blockages	Company Turnover Group			Total
	Up to £100k	£101k to £500k	Over £500k	
Clear blockage and arrange repair asap	51%	33%	24%	42%
Clear blockage and defer more costly repairs for 2 years unless urgent	35%	48%	51%	41%
Clear blockage and defer costly repairs until some time after April 2015	14%	19%	24%	17%
Total (%)	100%	100%	100%	100%
(Base)	38	7	10	55

4.2.7 In some water and sewerage company areas, a single preference was clear (e.g. Anglian Water, Northumbrian Water, Wessex Water and Yorkshire Water with more than half wanting

repair as soon as possible); whilst in others customers' preferences were more evenly split (e.g. Southern Water - 47% repair now/ 43% defer for 2 years, and United Utilities - 38% repair now/ 34% defer for 2 years). Indeed, United Utilities customers were split across all three options as 28% wanted to defer all costly repairs until after 2015; with a significantly lower proportion wanting all blockages to be repaired straight away (Service Option A), and a significantly higher proportion of customers opting for a deferral until after 2015 (Service Option C), compared with other customers in England and Wales.

4.2.8 Customers with no access to the internet were considerably keener to have repairs arranged as soon as possible (60%) compared with online customers (47%).

4.2.9 Preferences amongst businesses are significantly different by turnover, with:

- half (51%) of small businesses wanting repairs to be arranged as soon as possible; and
- half (50%) of medium and large businesses wanting the more costly repairs to be deferred for two years.

4.2.10 Qualitative research evidence suggested that, in contrast with the above two options, customers felt that Service Option C (defer repairs until after 2015) was a false economy, with the majority feeling that some inroads into the problem would be needed before then.

4.3 Customer Views on Company Response to Blockage in Still Privately-owned Drains

4.3.1 The scenario for this question was a situation where the water and sewerage company had already resolved any issues with the pipes that they were responsible for, and investigation found that the customer's own drain was likely to be deficient or had a blockage, as follows.

"Suppose you had a blockage to your sewer or drain and were unsure where this blockage was, so you ask your water company to investigate and they conclude that the problem was in pipes that you remain responsible for (within your property boundary). Which of these actions would you prefer your water company to take?"

4.3.2 The answer options were:

- advise you of the problem, where it is and what needs to be done and then leave;
- advise you of the problem and give suggestions as to whom you could contact to fix the problem (including the water and sewerage companies themselves) so you can shop around for the best deal;
- [if it looks straight-forward] give suggestions as to whom you could contact to fix the problem and also offer to clear it on your behalf, and charge you for it; and
- [if it looks straight-forward] clear it on your behalf without charging you, and cover the costs of such a service through a small increase in all customers' bills.

4.3.3 Table 4.2 shows customers' preferred company response to a blockage in drains which after the transfer, are still privately owned ; and Tables 4.2a and 4.2b provide segmented results by water and sewerage company and turnover respectively.

Table 4.2 Customers' Preferred Company Response to a Blockage in a Recently Transferred Sewer

Your Preferences for what your Water and Sewerage Company should do if problems are found in pipes that you still own.	Domestic	Business
[If it looks straight-forward] clear it without charging you, and cover costs with small increase in customer bills	37%	28%
Advise you of the problem and give suggestions as to whom you could contact to fix the problem (including themselves)	34%	37%
[If straight-forward] give suggestions as to whom you could contact to fix the problem & also offer to clear it & charge you	17%	24%
Advise you of the problem, where it is and what needs to be done and then leave	12%	11%
Total (%)	100%	100%
(Base)	1748	150

Table 4.2a Domestic Customers Preferred Company Response by Water and Sewerage Company

Your preferences for what your Water and Sewerage Company should do if problems are found in pipes that you are still responsible for	Water and Sewerage company										
	Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	England & Wales
If it looks straight-forward, clear it without charging you, & cover costs with small increase in bill	38%	34%	35%	39%	30%	30%	34%	42%	62%	39%	37%
Advise you of the problem & suggest who you could contact (including themselves)	29%	34%	47%	33%	47%	34%	31%	33%	21%	32%	34%
If it looks straight-forward, suggest who you could contact, also offer to clear it & charge	19%	22%	13%	14%	13%	23%	19%	16%	12%	17%	17%
Advise you of the problem, where it is and what needs to be done then leave	14%	10%	5%	14%	10%	13%	16%	8%	5%	12%	12%
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(Base)	246	86	104	258	209	88	281	235	77	164	1748

Table 4.2b Business Customers Preferred Company Response by Turnover

Your preferences for what your Water and Sewerage Company should do if problems are found in pipes that you are still responsible for	Company Turnover Group			Total
	Up to £100k	£101k to £500k	Over £500k	Eng & Wales
If it looks straightforward, clear it without charging you, and cover costs with small increase in customer bills	29%	43%	16%	28%
Advise you of the problem and give suggestions as to whom you could contact (including themselves)	37%	29%	43%	37%
If it looks straight-forward, give suggestions as to whom you could contact, also offer to clear it and charge you	22%	19%	32%	24%
Advise you of the problem, where it is and what needs to be done and then leave	12%	10%	8%	11%
Total (%)	100%	100%	100%	100%
(Base)	92	21	37	150

4.3.4 Views are mixed for domestic and business customers. The findings for domestic and business customers, overall, suggest that a majority-preferred sewerage company response would likely be to:

- (if it could be done easily) clear the blockage, and cover costs by increasing average bills slightly; and
- (if clearance could not be done easily) advise the customer of the problem and give suggestions as to whom they could contact to fix the problem.

4.3.5 This combined approach would seem to be most popular for customers in all regions, though simply clearing the blockage when it is easy to do so, is the single action required by the majority of Wessex Water customers (62%). This view was shared by those customers with no experience of blockages themselves, as well as those who have, suggesting that there is a degree of altruism behind some customers' preferences.

4.4 Domestic Customer Experience of Sewer Blockage and Degree of Insurance Cover

4.4.1 Around two in every five domestic customers (41%) had experienced a blocked or broken sewer or drain. One in three of these customers dealt with the problem themselves, whilst others believe the water company, contractor or insurance company dealt with it. Customer estimates of the cost of unblocking a drain vary considerably, with most (69%) believing the cost to be in the region of £100-500, and it costing a bit more to repair a broken drain (81% think between £100-1,000). These results are reported in Tables 4.3 to 4.6.

Table 4.3 Percentage Domestic Customers who have ever Experienced a Blockage

Have you ever experienced a blocked or broken sewer or drain?		
	Yes – at my current property	30%
	Yes - but only at a different property	11%
	No	59%
	Total - Eng & Wales	100%
	(Base)	1748

Table 4.4 Percentage Domestic Customers who Dealt with the Blockage

Who dealt with the problem the last time it arose?		
	I dealt with it myself	33%
	The Water (Sewerage) Company	28%
	Contractor paid by me	23%
	Contractor paid by me & other affected properties	8%
	Insurance company	8%
	Total - Eng & Wales	100%
	(Base)	699

Table 4.5 Domestic Customer Estimate of the Cost to Sort a Blockage

Typically, what do you think it would cost to sort out a blockage to your drain?	
Less than £100	14%
£100 to £250	42%
£250 to £500	27%
£500 to £1000	11%
£1000 to £1500	3%
More than £1500	3%
Total - Eng & Wales	100%
(Base ¹)	1696

¹ Base excludes Don't Knows

Table 4.6 Domestic Customer Estimate of the Cost to Repair a Drain

And what do you think it would cost to repair a broken section of your drain (say a 1 metre section)?	
Less than £100	6%
£100 to £250	21%
£250 to £500	34%
£500 to £1000	26%
£1000 to £1500	8%
More than £1500	5%
Total - Eng & Wales	100%
(Base ¹)	1696

¹ Base excludes Don't Knows

4.4.2 Tables 4.7 and 4.8 show the extent of insurance cover for problems with drains and sewers and customer estimates of insurance premiums to cover drains.

Table 4.7 Percentage Domestic Customers with Insurance Cover for Drains

Are you insured for costs of blockages or repairs to your sewer/drains?	
Yes	26%
No	42%
Unsure / Don't Know	32%
Total - Eng & Wales	100%
(Base)	1748

Table 4.8 Domestic Customers' Estimate of Cost of Annual Insurance Cover for Drains

Approximate insurance cost for cover of sewer pipes	
Less than £100	30%
£100 to £250	9%
£250 to £500	14%
£500 to £1000	24%
£1000 to £1500	9%
More than £1000	15%
Total - Eng & Wales	100%
(Base ¹)	386

¹ Base includes only those respondents who said they were insured for sewer blockages etc. & who gave a value

4.4.3 Around one in four domestic customers think they have annual insurance cover for blockages and/or repairs to drains and sewers; however, a further one-third are uncertain whether or not they have cover. Estimates of the premium for such cover vary considerably – indeed some are so high (above £1000) that we wonder whether the respondent has interpreted this as potential pay-out sums.

5 Customers' Preferences for Future Bill Profile

5.1 Introduction

5.1.1 We sought the views of customers' on their preferred bill profile to cover the additional cost to sewerage companies of maintenance and repair of the extended sewer network. The context setting of the bill profiling questions was necessarily long as the issues facing water and sewerage companies with regards to their financing options are complex. The context covers:

- the possibility and implications of bills increasing fairly quickly i.e. from 2013;
- the possibility of deferring bill increases until 2014;
- the possibility of deferring bill increases until 2015 at which time they would be accompanied by price rises to cover investment and improvements in other aspects of water and sewerage services as an outcome of the PR14¹⁶ price review; and
- the implications of deferring bill increases for private sewers and drains in terms of water and sewerage companies borrowing from third parties to cover costs and subsequently paying interest on their borrowings (hence a larger sum to be paid by customers eventually).

5.1.2 Because of its complex nature, respondents were guided through each aspect step by step, as follows.

"The bill prices for water and sewerage services for the next three years have been set by Ofwat for each of the next 3 years (2012–2014) and are as depicted in the green bars. [INTERVIEWER – PLEASE POINT TO GREEN BARS FOR 2012, 2013, 2014 AND HIGHLIGHT TO THE RESPONDENT THAT THIS IS THE SAME FOR ALL 4 OPTIONS (A, B, C, D)]

Nothing has yet been decided about increases to cover the costs of sewers and drains, and CCWater wants to ensure that customers' preferences are taken into account when decisions are made.

IF MORE INFORMATION REQUIRED

How customers' bill prices are set...

Prices in the water industry are set every 5 years for each of the forthcoming five years. In 2009, prices were set by the water regulator, Ofwat, for 2010-2014. Towards the end of 2014, prices will be set for the five years 2015-2019.

From 2015, water companies will want to invest in several service areas e.g. water treatment and fixing leaks, and prices set by Ofwat may rise to cover these costs.

The extra amount that customers could be asked to pay each year for the costs of sewers and drains partly depends on how soon customers start paying for the work undertaken.

¹⁶ Periodic Review 2014 – Ofwat's review in 2014 to determine bill and service levels in England and Wales for the period 2015-19

Timing of bill increases

The timing of bill increases makes a difference to how much they will be.

This is because companies either cover the extra costs of the sewer network with income from customers' bills or they will borrow money from the finance markets and pay interest on what they borrow.

There are 3 dates from which bills could increase to cover the costs of private sewers and drains. When thinking about the timing of bill increases, bear in mind:

- *Your own financial situation;*
- *From April 2015, Ofwat will set new prices to cover investment in other services like drinking water, fixing leaks. The price rise for sewers and drains in April 2015 may be in addition to other price changes to cover the on-going costs of other services. From 2015 bills could fall or stay around the same level, but for this exercise we assume a bill increase of **+£5 a year** to cover other aspects of service from 2015 onwards;*
- *Bills will also change by inflation each year; and*
- *The earliest time at which the extra costs of sewers and drains can be added to bills is April 2013.*

The figures below assume that private sewers and drains will cost customers an extra £10 a year from 1 October 2011 to 31 March 2015 (i.e. £35 over 3½ years). Each Bill Option shows how the amount added to bills depends on when bills start to increase."

5.1.3 The four bill options were defined as¹⁷:

- Bill Option A – bills increase from April 2013
 - April 2013 increase of £17.50;
 - April 2014 increase of £17.50; and
 - From April 2015 onwards the on-going costs of sewers and drains are *at least* £10 a year.
- Bill Option B – bills increase from April 2014
 - April 2014 increase of £35.00; and
 - From April 2015 onwards the on-going costs of sewers and drains are around £10 a year.
- Bill Option C – bills increase from April 2013; costs before April 2013 are added to bills from April 2015
 - April 2013 increase of £10.00;
 - April 2014 increase of £10.00; and

¹⁷ Ofwat modelled the bill impact for private sewers and drains of £10 a year from 1 October to 31 March 2015 when added to customer bills at different dates. The figures shown, and used in the primary research, are based on Ofwat's modelling

- From April 2015 onwards the on-going costs of sewers and drains are around £13 a year.

■ Bill Option D – bills increase from April 2015

- From April 2015 onwards the on-going costs of sewers and drains are around £17 a year (and will continue to be higher moving forward than if bill increases had been introduced earlier).

5.1.4 The four bill options were presented together and customised to show (for domestic customers) currently expected average bill levels for 2012-2014, at 2011 prices (i.e. excluding inflation), as determined by Ofwat at PR09¹⁸. For business customers a percentage bill change was shown each year in line with Ofwat's pricing determination up until 2015. An example choice-set is provided in Figure 5.1. Respondents were advised that *"the bit in ORANGE shows the bill increase to cover the cost of management of the extended sewer network"*.

¹⁸ Periodic Review 2009 – Ofwat's review, in 2009, to determine bill levels and service levels in England and Wales for the period: 2010-14



Figure 5.1 Example - Bill-profile Options [customised by water and sewerage company]

- 5.1.5 Customers preferences were spread across the four available options, as reported in Table 5.1.

Table 5.1 Customers' Preferred Bill Profile for Management Costs of Transferred Sewers

Preferred Option [+£5 Ofwat Determination ¹]	Domestic	Business
A	27%	27%
B	9%	11%
C	39%	30%
D	24%	33%
Total (%)	100%	100%
(Base)	1748	150

¹ Respondents were told to assume a bill increase of **+£5 a year** to cover costs for investment and improvement of other aspects of water and sewerage services from 2015 onwards

- 5.1.6 Preferences are mixed as, though a significantly higher percentage of domestic customers prefer Option C to the next best, Option A, this is still not a majority preference. We have therefore looked at the nature of the different options to determine the underlying preferred approach to bill-timing. Options A and C are relatively similar as they both introduce bill increases in 2013 and offer a fairly constant cost increase (orange) each year - Option C more so than Option A. Options B and D meanwhile, defer the bill increase until 2014 or 2015, and both have steeper adjustments in bill level.
- 5.1.7 At this more aggregate level, two-thirds of domestic customers (66%) prefer an option with a flatter billing profile with price increases starting sooner (i.e. A or C), thereby pointing towards this kind of profile being favoured by most domestic customers.
- 5.1.8 However Option D, which defers the bill impact until 2015, is preferred by one in four domestic customers.
- 5.1.9 Further analysis revealed that the option to defer was most supported by customers renting from a Housing Association (33%) and who knew the Council would have dealt with any blockages¹⁹ to their sewers/laterals before the transfer. So there is a split in preference amongst different types of domestic customer.
- 5.1.10 For business customers, the situation seems fairly similar with the majority (just) preferring an option with a flatter billing profile that starts sooner (i.e. A or C); but a distinct and substantial minority (one in three business representatives) prefer companies to defer the bill impact until 2015 (i.e. Option D). The different preferences for the timing of bill

¹⁹ From answers to other questions in the quantitative survey

increases varies by size of business, with two-thirds of micro-enterprises (<£100k turnover) preferring the flatter billing profile; and almost two-thirds (62%) of larger businesses (£500k - £50m turnover) preferring those options (B and D) that defer the bill increases.

5.1.11 The findings for domestic customers, overall, broadly apply at a regional level, as shown in Table 5.1a, with Option C being the option with greatest support.

Table 5.1a Domestic Customers' Preferred Bill Profile by Water and Sewerage Company [+£5 pa determination]

Preferred Option [+£5 Ofwat Determination]	Water and sewerage company											Total
	Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	England & Wales	
A	30%	19%	34%	29%	27%	24%	25%	23%	32%	29%	27%	
B	10%	9%	6%	7%	13%	11%	9%	11%	9%	8%	9%	
C	34%	51%	42%	36%	41%	49%	42%	35%	40%	39%	39%	
D	26%	21%	18%	29%	19%	16%	25%	31%	19%	23%	24%	
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
(Base)	246	86	104	258	209	88	281	235	77	164	1748	

5.1.12 There is a significant difference at a national level with more than half of Welsh Water customers (51% compared with 39% in England) preferring Option C - bills increase from April 2013 with costs incurred before April 2013 being added to bills from April 2015.

5.1.13 Amongst the business sector, larger businesses prefer a profile with bills increasing from April 2015.

Table 5.1b Business Customers' Preferred Bill Profile by Turnover

Preferred Option [+£5 Ofwat Determination]	Company Turnover Group			Total Eng & Wales
	Up to £100k	£101k to £500k	Over £500k	
A	33%	14%	19%	27%
B	7%	19%	16%	11%
C	34%	33%	19%	30%
D	27%	33%	46%	33%
Total (%)	100%	100%	100%	100%
(Base)	38	7	10	55

5.1.14 The bill-timing preferences were broadly the same when different assumptions were made about potential bill increases as an outcome of the PR14 price determination, and will apply even up to a +£20 per annum increase for managing other water services. Table 5.1c provides domestic customers' preferences in the context of a £20 per annum determination by Ofwat, and shows a fairly similar set of preferences to that reported in Table 5.1a, for +£5 per annum.

Table 5.1c Domestic Customers' Preferred Bill Profile by Water and Sewerage Company [+£20 pa determination]

Preferred Option [£20 ¹ Ofwat Determination]	Water and sewerage company											Total
	Anglian Water	Dwr Cymru Welsh Water	Northumbrian Water	Severn Trent Water	Southern Water	South West Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water	England & Wales	
A	30%	19%	38%	28%	33%	29%	29%	22%	29%	32%	29%	
B	9%	10%	7%	8%	8%	11%	7%	11%	9%	8%	9%	
C	30%	47%	38%	34%	40%	45%	43%	37%	45%	36%	38%	
D	30%	24%	17%	30%	19%	14%	21%	29%	16%	24%	24%	
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
(Base)	246	86	104	258	209	88	281	235	77	164	1748	

¹ Respondents were told to assume a bill increase of **+£20 a year** to cover costs for investment and improvement of other aspects of water and sewerage services from 2015

6 Conclusions and Implications

6.1 Key Findings

Impact of Water and Sewerage Company's Notice of Transfer

- 6.1.1 Some two-months after water and sewerage companies sent a Notice to all customers, only half of domestic customers could recall receiving it and confirmed reading it (even after prompting to remind them of what it looked like). The situation varied considerably by water and sewerage company, with only a minority of domestic customers (around one-third) having read Northumbrian Water's Notice, but a majority (more than two-thirds) having read Yorkshire Water's Notice.
- 6.1.2 The level of recollection, and proportion reading the Notice, varied by wealth/education status and gender, with greatest recall from: detached home-owners in socio-economic groups A/B; and least recall from: people residing in flats, tenants (especially social housing), in socio-economic groups D/E, and those with no access to the internet. Furthermore, customers who had previous experience dealing with a blockage were more likely to recall receiving a Notice, and reading it, than customers who had no experience of a blockage.
- 6.1.3 Just over one in three business customer respondents had read the Notice, at least in part. Recollection and knowledge levels were especially low amongst medium and large businesses.
- 6.1.4 Most of those customers who read the Notice considered it to be fairly or very clear, and they thought that they had understood all the main messages. However, more detailed examination of what they remembered reading showed that the only commonly remembered aspect of the Notice was that it was about change of sewer ownership. Only a minority of domestic and business customers could confirm reading about: who owns the different pipes; how different types of property will be affected; ways in which customers benefit; increases in future bills; and how customers can reduce the risk of blockages.
- 6.1.5 A/Bs²⁰ were most likely to have understood the main messages from the Notice and the show material, and D/Es least likely. Nevertheless, the vast majority of D/E customers considered the survey show material (customised by age and type of property) to be fairly or very clear. Men were more likely to recall the Notice, read it and understand it than women; and the qualitative research highlighted that, in many households, women chose to defer this particular task (i.e. unblocking drains/sewers) to their husband, etc.
- 6.1.6 The research findings provided in this report suggest that much of the detail of the Notice was not absorbed, or was forgotten after a few weeks. Given the seeming lack of knowledge on the subject amongst domestic and business customers, there would be benefit in further company communication on the subject of sewer transfer provided information is presented in a way which encourages customers to read it. Most customers thought companies should do more to inform the public (especially Welsh Water customers), and supported a number of communication methods, including: in the form of a leaflet with the next bill; publishing website information, and placing advertisements in newspapers and public spaces.

²⁰ High social economic group – defined as higher and intermediate managerial

Priorities for Addressing Blockages

- 6.1.7 On the understanding that water and sewerage companies would clear and fix any urgent blockages and sub-standard sewer pipes, customers had mixed views with regards to how quickly water and sewerage companies should repair less urgent blockages. Around half of domestic customers want all sub-standard sewers to be repaired as soon as possible, but more than one-third would rather the more costly repairs were deferred for a couple of years. For business customers, the split between these two preferences were even. Only a minority of domestic and business customers wanted to defer costly repairs beyond 2015. Experience of a blockage had no effect on customers' priorities.

Timing of Bill Impacts

- 6.1.8 Domestic customers had mixed views as to when prices should start to increase to cover the additional cost of water and sewerage company management of the extended sewer network. Amongst customers of Welsh Water, a slight majority²¹ preferred a bill increase from April 2013 of +£10 p.a. and any short-fall in customer payments being added-on to the price determination of 2015 (Option C in the research); and a further 19% of customers of Welsh Water preferred the one other bill profile involving an increase from as early as 2013. Amongst English domestic customers, two-thirds of domestic customers preferred bill increases to be introduced from 2013 (Options A and C) in order to avoid steep increases.
- 6.1.9 Business customers were more mixed in their preferences. Around half preferred a flatter billing profile that starts sooner (particularly the smaller, micro-enterprises²²); but a distinct and substantial minority (especially larger businesses) preferred water and sewerage companies to defer the bill impact until 2015 or beyond.
- 6.1.10 Overall, customers' preferred timing of bill level impacts remained fairly constant, regardless of different assumptions around a range of bill increases for the final PR14²³ determination.

6.2 Implications for the Water Industry

- 6.2.1 These research findings raise a question over the comprehensiveness of the water and sewerage industry's attempts to inform its customers about the transfer. After a two month period, most customers cannot recollect key details of the transfer so there is a need for the water industry to consider the benefits of a renewed attempt at informing the public.
- 6.2.2 The findings reported in this document suggest a future education campaign would benefit from the following considerations:

- Notice best practice – i.e. those Notices that seem to have been more effective at keeping in the customers' memory, both with respect to it being received and its detailed content;

²¹ 51% of customers of Welsh Water preferred Option C cf 39% of water customers in England. The small sub-sample for Welsh water customers means that we are cautious about whether Welsh customers have a significantly different preference to English customers.

²² Microenterprises are organisations with fewer than 10 staff

²³ Periodic Review 2014 – Ofwat's review in 2014 to determine bill and service levels in England and Wales for the period 2015-19

- the use of a named person. It's omission first time around by many water and sewerage companies may indicate a cost issue in sending out personal notifications, but the qualitative findings suggest that many people will have ignored any non-personalised mail (since there is so much unwanted mail pushed through their letter boxes these days);
- customise the explanatory material by property type (detached, semi-detached and terraced) and age (pre-1937 and post-1937) so that recipients of the information can quickly focus on the property type that applies for them. Note, business customers should have a different set of show material that encompasses the variety of commercial set-ups that exist;
- the customers least likely to be aware of the key messages are those in lower socio-economic groups (D/E), typically residing in flats and having no, or limited, access to the internet; and
- landlords should be requested to advise their tenants so that the messages reach all customers.

6.2.3 Customers were generally supportive of repair work on the newly transferred sewer network to be arranged sooner rather than later.

6.2.4 Customers preferred the timing of bill increases to cover the additional costs for managing the increased sewer network to have a fairly flat profile by starting earlier rather than deferring costs leading to a steeper increase at a later date.

6.2.5 These general preferences for managing the maintenance and repair of the extended sewer network, and the preferred bill profile, suggest that CCWater may consider supporting those water and sewerage companies that seek to bring forward some of the repair work, and financing, rather than simply wait and incorporate it into PR14 business and investment plans. However, both CCWater and Ofwat would need to see robust evidence of costs and appropriate 'pacing' of the investment programme to justify this.

Appendices

Appendix A – Qualitative Research Materials

Discussion Guide: Transfer of Private Sewers

Focus Group Objectives:

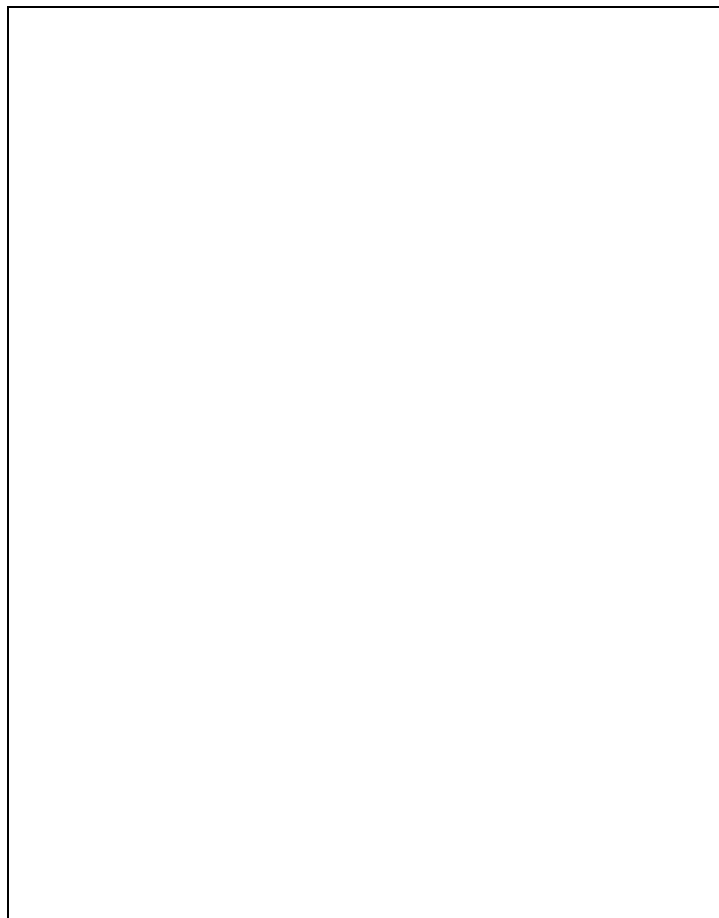
MVA Consultancy is conducting a series of focus groups to investigate issues surrounding our sewers, on behalf of the Consumer Council for Water, which works on behalf of customers in the water industry.

Moderator Introduction [2 minutes]

- Good evening, thank you coming along, my name is
- Explain "rules" (phones off, no right or wrong answers, anonymity, recorder etc)
- Confirm MVA adheres to Code of Conduct of the Market Research Society and Data Protection Act
- Explain that sewerage services are provided by your water company, United Utilities [NOTE, MODERATOR TO CHECK WHETHER WATER SERVICES ARE PROVIDED BY A DIFFERENT COMPANY. If so, explain WASC & WOC]

Participant Introductions [3 minutes]

- Ask participants to introduce themselves: first name, where they live, how old they think their house/flat is, and whether they have experienced a blockage to a drain or sewer.



Main Discussion

1 [UNINFORMED] Awareness & Attitudes to Company Notice [15 minutes]

- Who do you think is responsible for sorting out blocked drains or sewers if this happens at your property?

[PROBE: ANY KNOWLEDGE OF WHO WAS THE OWNER & WHO IS NOW; HOW CONFIDENT THEY ARE, AND NOTE ANY REFERENCES TO A RECENT NOTICE ON THE SUBJECT FROM THEIR WaSC]

In fact, the homeowner is responsible for any shared sewers or drains on their land, and the drain which connects their property to the main sewer in the road. What do you think it might cost to sort out a blockage or repair to your sewer/drain if there was a problem?

- Is anyone insured to cover the costs of unblocking a blocked drain or sewer for their home? And/or for repairing a broken drain or sewer pipe? If so, how much do they pay each year?

[PROBE: WHETHER THEY THINK A BLOCKAGE WOULD BE THEIR RESPONSIBILITY (AND CHECK PROPERTY OWNERSHIP TO CONFIRM); AND WHETHER THEY'VE EXPERIENCED A BLOCKAGE IN THE PAST]

- Has anyone recently had a letter about ownership or responsibility for sewers and drains where you live? If so – who was it from? What did it say?

- To confirm, for those who think they did receive it, and for those who don't recall – this is the Notice that all households in this area should have received [SHOWCARD A]. It advises that from 1 October this year, water and sewerage companies become responsible for many private sewers and drains that home-owning customers are currently responsible for. For those who couldn't remember the Notice for sure, does this seem familiar?

[IF APPLICABLE] For those who (still) don't recall seeing a Notice, do you think it possible that your household **did** receive a Notice but it's been discarded/ignored without anyone realising the significance of what it was saying?

- What do you think are the implications for you of this change in ownership?

[NOTE WHETHER OVERALL VIEW IS POSITIVE/NEGATIVE. PROBE – WHO ARE THE WINNERS/LOSERS?]

2 [INFORMATION ON WHICH PIPES TRANSFER OWNERSHIP] Awareness & Attitudes to Company Notice [10 minutes]

[HAND OUT SHOWCARD B1 AND/OR B2] Please have a look at Figure 1a if you think your home was built before 1937; and Figure 1b if you think it was built after.

Moderator explanations:

- EXPLAIN - THE LIKELY PRE-OCTOBER 2011 SEWER/LATERAL OWNERSHIP SITUATION FOR TERRACED HOUSES (EG HOUSE 4), SEMI-DETACHED (HOUSE 5, 3 OR 1) AND DETACHED (HOUSE 6) FOR OLDER PROPERTIES (IE BUILT PRE-1937)].
- THEN SHOW WHICH PIPES WILL CHANGE OWNERSHIP ON 1 OCTOBER 2011 IN FIGURE 2. NOTE THAT PIPE OWNERSHIP FOR A BLOCK OF FLATS WOULD BE SIMILAR TO THAT DEPICTED FOR ANY OTHER DETACHED PROPERTY THOUGH, OF COURSE, THE RESPONSIBILITY FOR CLEARING ANY BLOCKAGE AND PAYING THE BILL WOULD BE SHARED WITH ALL RESIDENTS IN THE BLOCK.
- STRESS THAT THE TRANSFER IN OWNERSHIP APPLIES TO **SHARED** PIPES AND THOSE ON OTHER PEOPLE'S LAND.
- EXPLAIN THE LIKELY PRE-OCTOBER 2011 SEWER/LATERAL OWNERSHIP SITUATION FOR TERRACED HOUSES (EG HOUSE 4), SEMI-DETACHED (HOUSE 5 OR 3) AND DETACHED (HOUSE 6) FOR NEWER PROPERTIES (IE THOSE BUILT POST-1937)]. AND HIGHLIGHT THAT THE OWNERSHIP BECOMES AS THAT FOR OLDER PROPERTIES.
- USE SHOWCARD B3 TO DEMONSTRATE LIKELY EXPANSE OF PIPE RETAINED UNDER PRIVATE OWNERSHIP.

[CHECK THAT EACH PERSON UNDERSTANDS: WHAT IS LIKELY TO HAVE BEEN THE OWNERSHIP SITUATION FOR THEIR PROPERTY; AND WHO OWNS WHICH ONES NOW]

As you can see, the responsibility for maintaining and clearing many sewer pipes will now pass over to your water company. But pipes which serve just your home and are within the boundary of your property will remain your responsibility.

3 [INFORMED] Views of the Notice & Likely Future Behaviour [15 minutes]

- Please have another look at the Notice that your water company sent. Do you think it explains the sewer ownership situation correctly, and clearly?

[PROMPT AS NECESSARY THAT SOME ASPECTS OF THE NOTICE MIGHT BE MISSING OR MISLEADING- E.G. OWNERSHIP PRE 1 OCTOBER DEPENDED UPON THE AGE OF THE PROPERTY]

- Have a look at the Notices of some other UK water companies [SHOW OTHER NOTICES]:
 - - ANGLIAN (LEAFLET PLUS LETTER)
 - - NORTHUMBRIAN (LEGAL NOTE PLUS COVER LETTER)
 - - UU (SINGLE INFO PACK/LETTER)
 - - WESSEX (SHORT COMBINED LETTER AND LEAFLET (FULL LEAFLET WAS AVAILABLE ON REQUEST NOT INCLUDED HERE))
- Do any of them strike you as being particularly good/helpful? Or particularly unhelpful?
 - If your water company had to repair or replace the sewer that your property's drains are connected to because the sewer lacked sufficient capacity or was in poor condition, and

they found that your property's private drains (the pipes you still own) were also in poor condition and advised you of this, would you repair or replace these pipes? [NOTE/PROBE FOR 'DEPENDS UPON COST' ETC, AND WHETHER RESPONSE DIFFERS BY WHETHER THEY'VE EXPERIENCED A BLOCKAGE BEFORE, AND PROPERTY AGE/OWNERSHIP TYPE]

- Will knowing that your water company will be responsible for more of the pipe-work that serves your home have any effect on your attitude and behaviour – thinking especially of what you flush down the toilet, or down the sink?

4 [INFORMED] Customer Priorities for Company Sewer Maintenance and Renewal [20 minutes]

(a) Context setting

Companies will need to set priorities for maintenance, renewal and repairs of the drains and sewers they will become responsible for in October.

Current situation

At the moment, when a company is told that a drain or sewer that is publicly (i.e. water-company) owned is blocked, their service standard is to visit the property within a given time scale to **assess** the situation.

Companies investigate to find out what caused it, and:

- If it is a 'one-off' blockage for example caused by an accumulation of fats and other materials in the sewer then, aside from clearing the blockage, the only other action they need take is to inform residents what they should, and should not, dispose of into the sewers and drains.
- If the cause of the blockage is a structural weakness, or sub-standard construction of the drain or sewer, then it is possible that blockages will recur until a major repair or rebuild of the sewer/drain takes place. These major works are much more costly and usually take several months of planning (typically, a structural repair may involve digging a trench, and replacing/relining a sewer, or even laying a new one in another location).

However, **at the moment**, your water company is unaware of most of the blockages in private sewers, as these are dealt with by the property owner.

New situation

From October, customers will also receive this service for the recently transferred sewer pipes and drains, as companies have obligations to ensure that they are providing effective drainage services to their customers. In other words, if you have a problem with any company-owned drains or sewers, the company will attend and deal with any immediate blockage to restore normal drainage to the property, just as they do now.

However, companies will need to carefully consider the prioritisation of replacement and structural repair work that may be needed for their newly acquired pipework because the costs of structural work are much higher than those associated with clearing blockages. So it is likely that the drains or sewers at some properties will get repeated blockages until structural repairs are done.

The priority given to structural work will dictate how quickly customers start to see the benefits of the transfer of sewer ownership:

- **if only urgent repairs are carried out** then only a small proportion of customers (albeit those experiencing the worst problems with their sewers) will benefit at first, although the cost of additional sewer maintenance and repair, which would be passed on to all

customers through increases in the bill, would be kept at lower levels. Over time we would expect more non-urgent repairs to be carried out to resolve service issues for many more customers.

- **Alternatively, if companies accelerate their repair schemes** – bringing service improvements to more customers more quickly - their costs will rise more quickly. The cost of clearing blockages would be expected to reduce (but not by as much as the capital outlay for structural work) so service improvements would be received by more customers more quickly ... but bills would increase more quickly for all customers to reflect this additional remedial activity by the water company.

The exact costs of clearing blockages and structural repairs aren't known by the water companies, because before October 2011 it has been the homeowner's responsibility to deal with these. Costs will certainly vary in different parts of the country, leading to a range of bill increases for customers – with the size of the bill increase depending partly on how quickly companies tackle structural repairs.

(b) Which do you prefer....?

In particular there will be different ways in which your water company could respond to 'moderately urgent cases' – i.e. where structural repair is desirable but NOT essential. (Please assume that structural repair is carried out immediately in all cases where it is deemed vital to do so, and simple un-blocking is carried out in cases where it is a one-off blockage and the pipework meets British standards).

To give us an idea of your preferences in this respect, please consider three ways (A, B and C) that your water company could respond when they assess the moderately urgent cases:

Option A ... *Your water company clears the blockage and immediately sets about fixing the structural problem, and bill increases for all customers will be higher as it costs more to fix the structure than just clear blockages.*

Option B ... *Your water company clears the blockage and defers the costly repair to unblock for two years, leading to smaller bill increases as structural repairs are done more gradually over time.*

Option C ... *Your water company clears the blockage and does not fix the structural problem and expects to repeatedly re-visit to unblock, keeping bill increases to an absolute minimum.*

[CHECK THAT EACH OF THE 3 OPTIONS IS UNDERSTOOD]

(c) Why?

- PROBE: what influences people's preference – e.g. whether they've experienced a blockage previously/believe they may have sub-standard pipes, etc
- [FOR THOSE WHO PREFER OPTION C] Can I just check that those who preferred Option C realise that for some households this means they will have to live with the inconvenience of repeated blockages for longer – months even years – than if the company was more pro-active?.
- [FOR THOSE WHO STILL PREFER OPTION C] If you thought your property was more (or less) likely to be affected than others, would your preference be different?

5 Customer Preferences for Bill Profiles [20 minutes]

(a) Stage One - Context Setting

Prices in the water industry are set every 5 years for the forthcoming five years.

In 2009, prices were set by the water regulator, Ofwat, for the period 2010-2014. Towards the end of 2014, prices will be set for the five years 2015-2019.

The average bill level in the United Utilities area is currently £376 per year. In real terms (i.e. excluding future inflation), the agreed price for your water **and** sewerage services are, on average:

- In April 2012 the price will increase by 0.6% compared with 2011 bill level to £378
- In April 2013 the price will increase by 1% compared with 2012 bill level to £382
- In April 2014 the price will increase by 1.2% compared with 2013 bill level to £387

From 2015, water companies will want to invest in several service areas e.g. water treatment and fixing leaks, and prices are likely to rise to cover these costs. Within this context, each company must decide how proactive they should be in managing and recovering the cost of maintaining and repairing the larger network of sewer pipes now under their ownership. CCWater wants to ensure that customers' preferences are taken into account when decisions are made.

The amount customers would pay each year will also depend upon whether customers start paying sooner or later for the additional work undertaken by companies to manage their extended sewer network. If companies stick with the currently set prices, which will help to keep bills down in the short-term, then bill levels will have to rise much more later on - as your water company will have to borrow money (at a high rate of interest) at the start of the investment programme to cover the costs which aren't being met by bills. Again, CCWater wants to understand customers' preferences so these can be taken into account.

(b) Which do you prefer?

Please look at [SHOWCARD C1]

This compares three hypothetical Options for the customers' 'bill profile'.

Nothing has yet been decided about increases to cover the costs of sewers and drains. So we want to understand your views on each, and which you would most and least prefer your water company to adopt.

The Showcard indicates the likely cost options if, after a spike in the bill level in 2015, prices then go up gradually:

- **Option A:** bills increase as soon as possible to start covering costs of clearing blockages and structural repairs
- **Option B:** bills increase in a couple of years time to start to recover delayed costs of clearing blockages and structural repairs
- **Option C:** bill increases to recover costs of clearing blockages and structural repairs that are put off for as long as possible i.e. to April 2015

Please note that where costs are delayed (Option B and, especially, Option C), the overall charge to customers is slightly higher than otherwise to cover the cost of the water company borrowing money from banks.

[CHECK THAT EACH OF THE 3 OPTIONS IS UNDERSTOOD]

- PROBE AND RECORD WHICH OPTIONS ARE:
 - Most Preferred _____
 - Least Preferred _____
- PROBE UNDERLYING REASONS
 - Why do you most prefer.....least prefer....? (unprompted)?
 - Anything else?
 - Is your preference influenced by...? (prompt for: whether you've experienced a blockage previously? believe you may have sub-standard pipes? etc]

(c) Stage Two - Context Setting

Please now look at [SHOWCARD C2]

All options exclude inflation so are at today's prices

This indicates the likely cost options if, after a spike in the bill level in 2015, prices go up more steeply (than we've discussed with Showcard C1) because water companies find that a lot of the extended sewer network is sub-standard and needs replacing.

Again, we want to understand your views on these three 'bill profiles' and which you would most and least prefer your water company to adopt.

- **Option A:** bills increase as soon as possible to start covering costs of clearing blockages and structural repairs
- **Option B:** bills increase in a couple of years time to start to recover delayed costs of clearing blockages and structural repairs
- **Option C:** bill increases to recover costs of clearing blockages and structural repairs that are put off for as long as possible i.e. to April 2015

Again, please note that where costs are delayed (Option B and, especially, Option C), the overall charge to customers is slightly higher than otherwise to cover the cost of the water company borrowing money from banks.

(d) Which do you prefer?

- PROBE AND RECORD WHICH OPTIONS ARE:
 - Most Preferred _____
 - Least Preferred _____

- PROBE UNDERLYING REASONS
 - Why do you most prefer.....least prefer....? (Unprompted)?
 - Anything else?
 - Is your preference influenced by...? (prompt for: whether you've experienced a blockage previously? believe you may have sub-standard pipes? etc]
- IDENTIFY WHETHER ANYONE PREFERS DIFFERENT OPTIONS IN THE TWO CHOICE-SETS AND EXPLORE REASONS

(e) Stage Three – What if reduced investment costs in 2016+

Please now look at [SHOWCARD C3]

Again, all options exclude inflation so are at today's prices

This indicates the likely cost options if the spike in the bill level in 2015 is much lower (than we've discussed with Showcards C1 and C2) because it is agreed between Ofwat and the water companies that services can be maintained and improved with only a small increase in bill levels.

Again, we want to understand your views on these three 'bill profiles' and which you would most and least prefer your water company to adopt.

- **Option A:** bills increase as soon as possible to start covering costs of clearing blockages and structural repairs
- **Option B:** bills increase in a couple of years time to start to recover delayed costs of clearing blockages and structural repairs
- **Option C:** bill increases to recover costs of clearing blockages and structural repairs that are put off for as long as possible i.e. to April 2015

(f) Which do you prefer?

- PROBE AND RECORD WHICH OPTIONS ARE:
 - Most Preferred _____
 - Least Preferred _____
- AND PROBE UNDERLYING REASONS

5 Round up [5 minutes]

Finally:

- Do you think that the water companies should explain in their Notices that the rate at which they choose to renew and repair inferior infrastructure will directly affect the amount customers have to pay?
- Do you have any further questions or issues you'd like to raise in relation to the discussion?
- The Consumer Council for water will use the findings from this customer research to influence water companies' decision-making in respect of investment priorities and bill changes

THANK GROUP FOR ATTENDING

SHOWCARD B1 [OLDER BUILDINGS – PRE 1937]

Figure 1a Example A: Current Arrangements

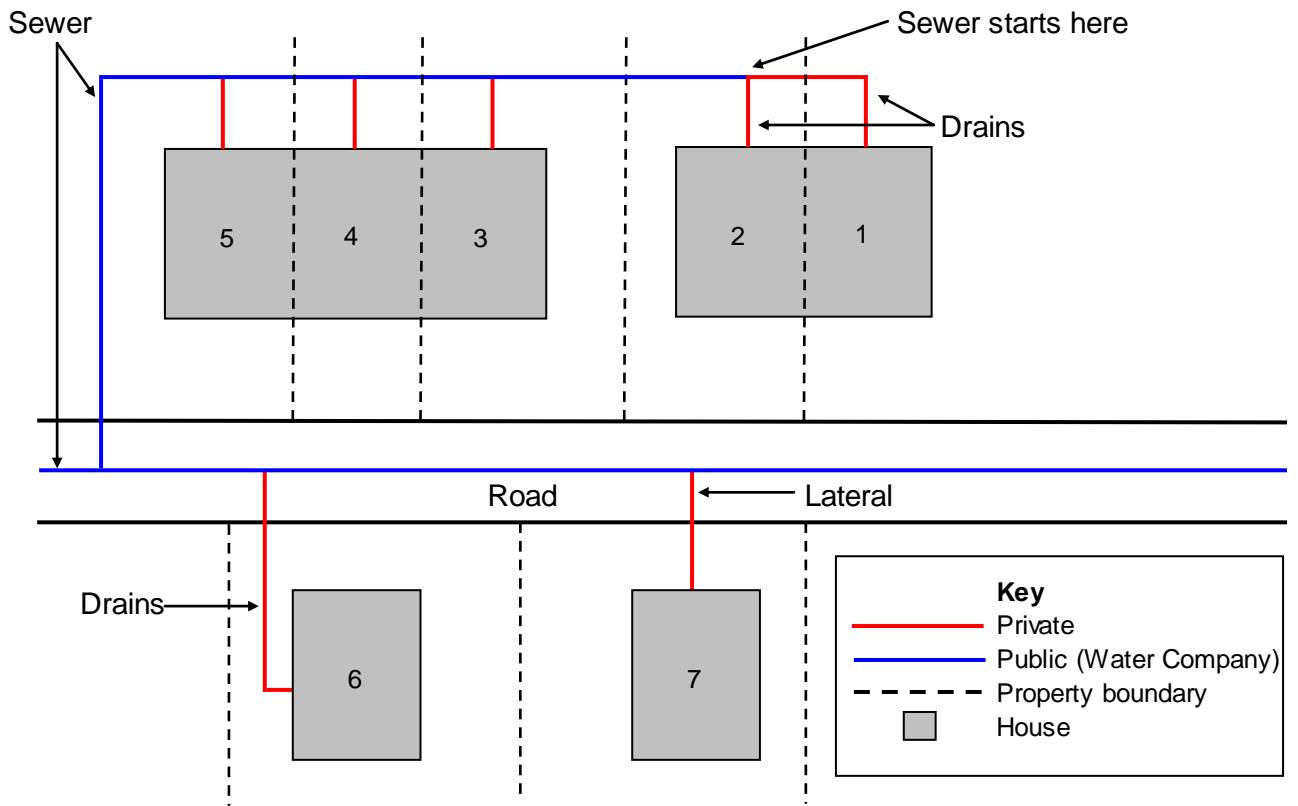
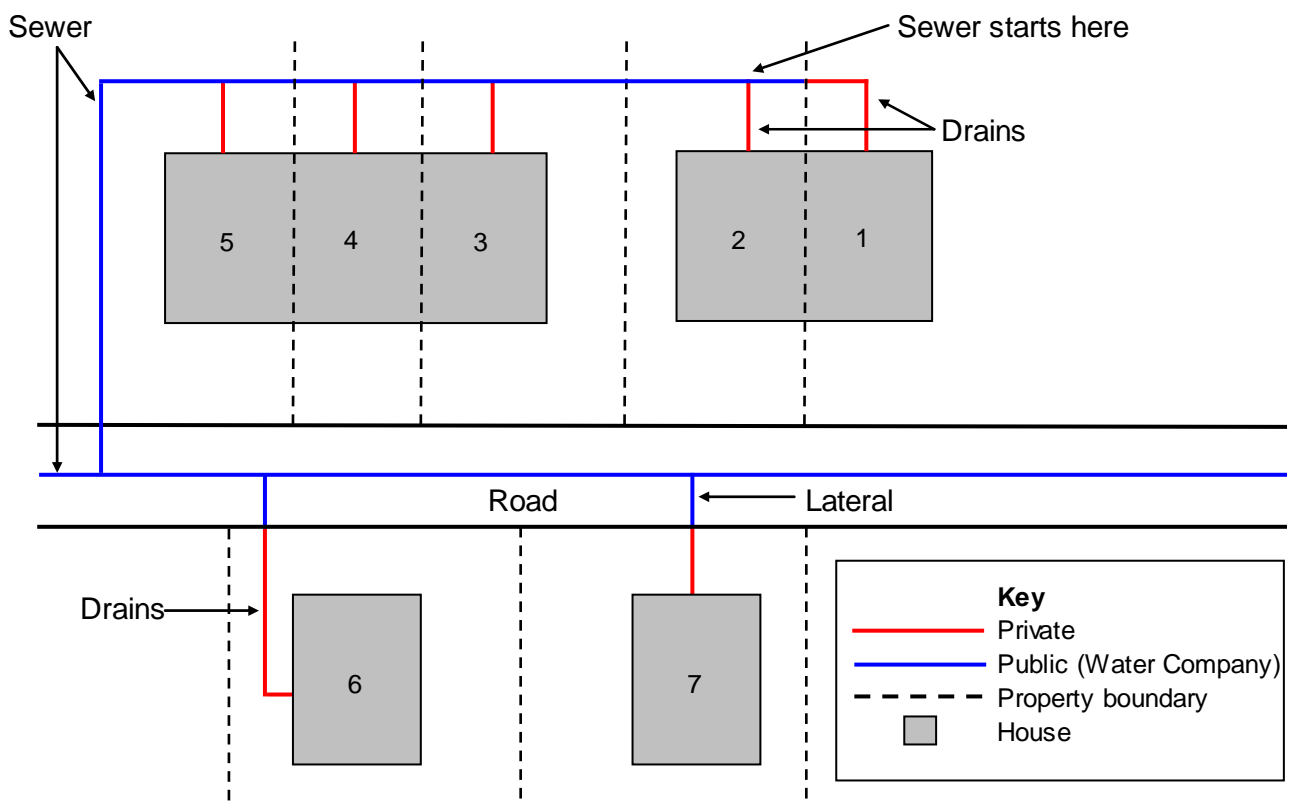


Figure 2 Example B: New Arrangements



SHOWCARD B2 [NEWER BUILDINGS – Post 1937]

Figure 1b Example A: Current Arrangements

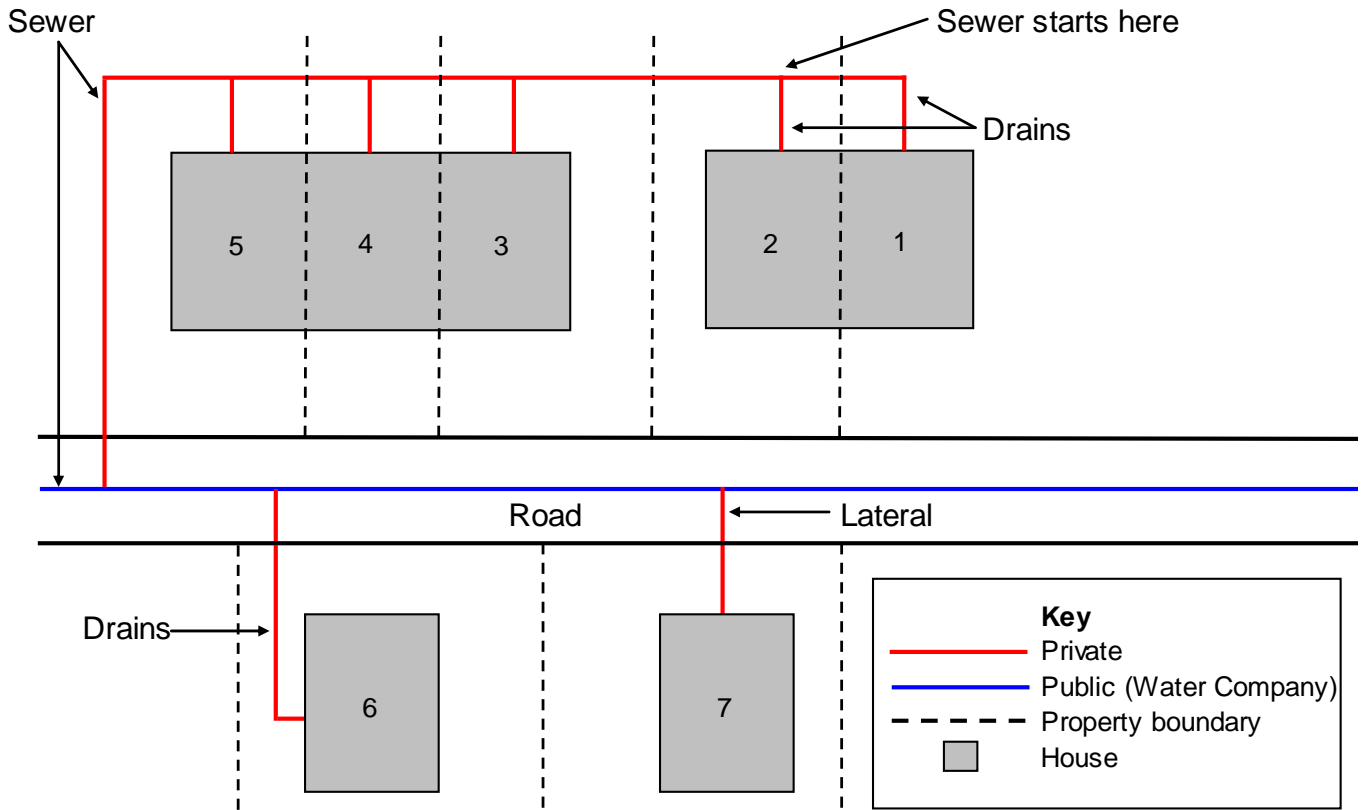
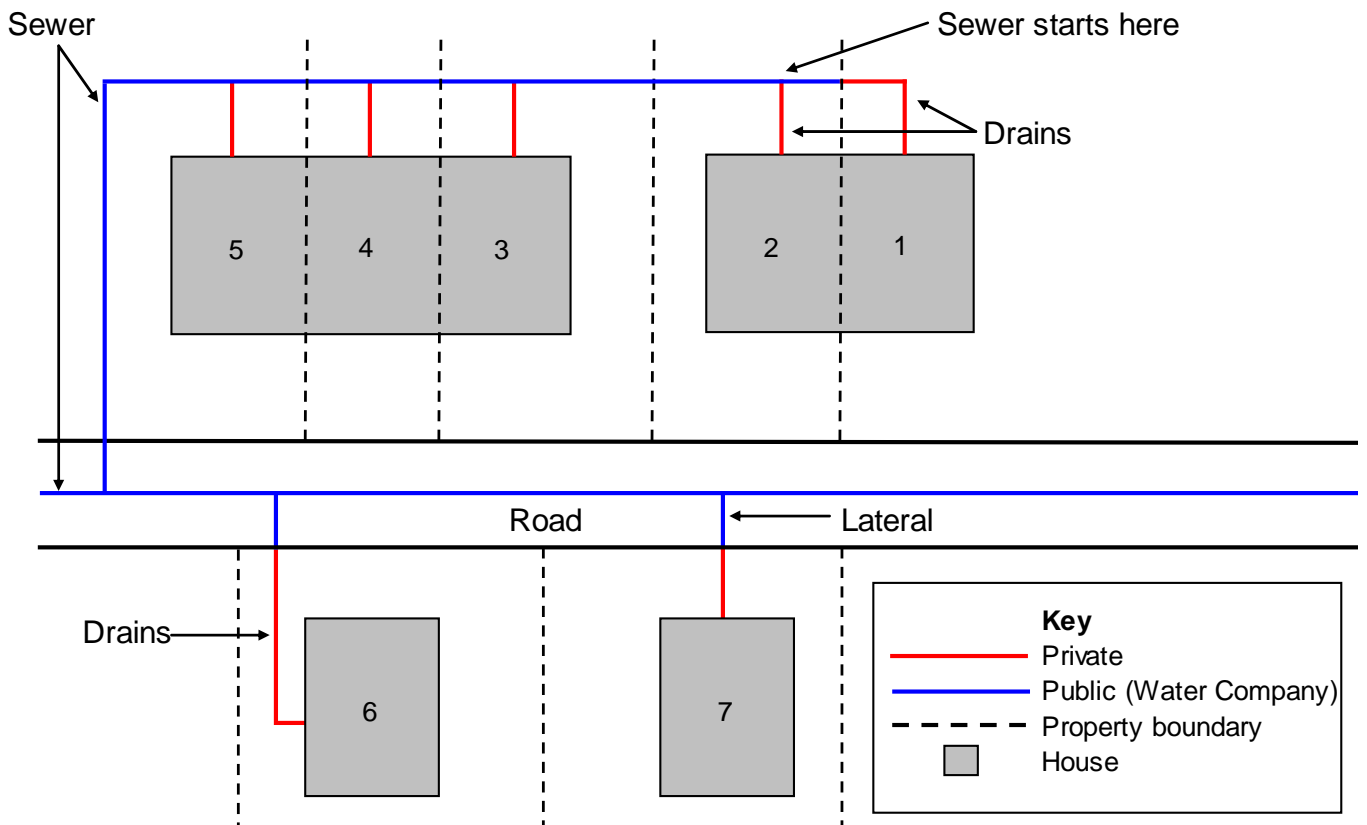


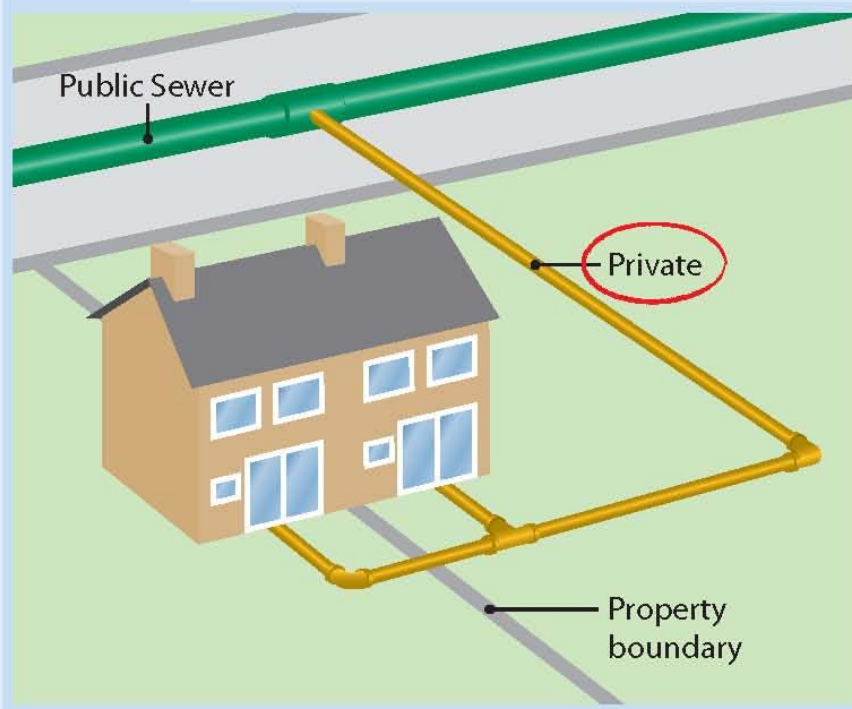
Figure 2 Example B: New Arrangements



SHOWCARD B3 – OWNERSHIP AREA BEFORE AND AFTER

Typical example of how responsibilities will change

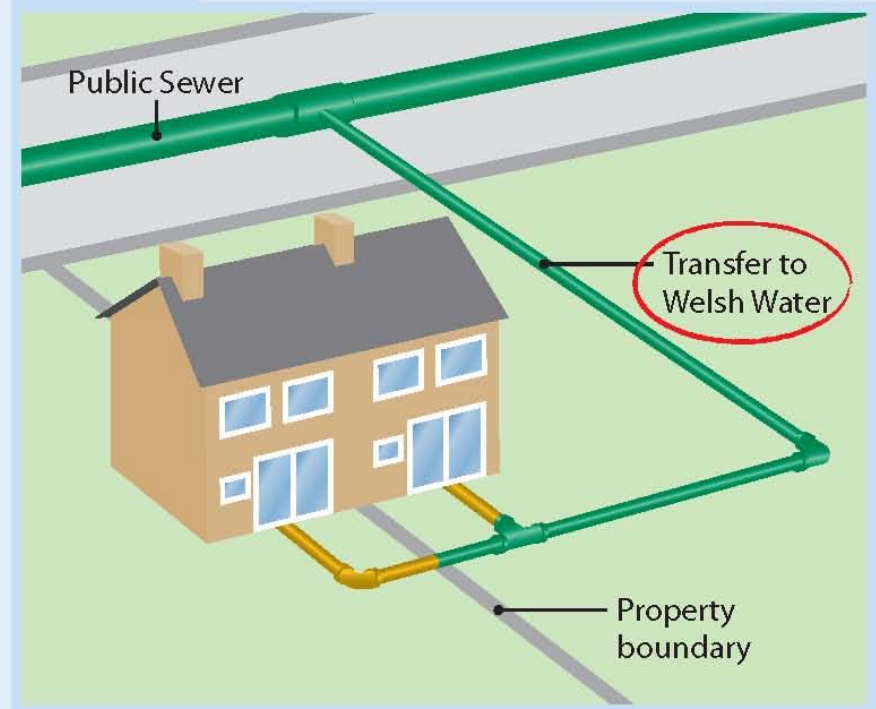
Before



Your sewers and drains

Our sewers

After



Your drain – remains your responsibility

Our sewers and lateral drains

SHOWCARD C1 – United Utilities

Option A

Bills increase as soon as possible to start covering costs of clearing blockages and structural repairs

April 2011 - £376

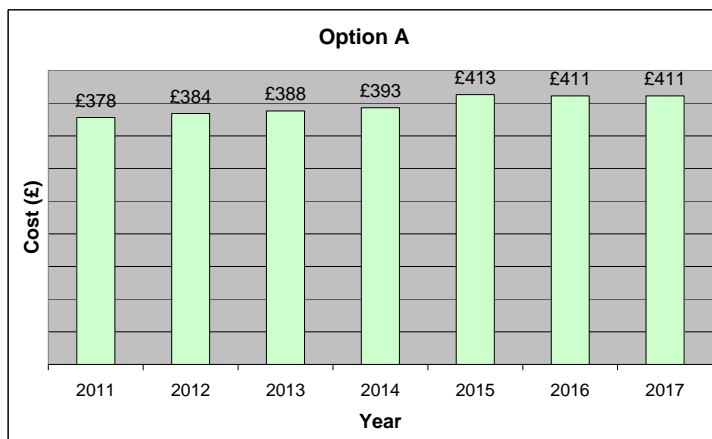
April 2012 - £378 (as agreed) + £6 for private sewers = £384

April 2013 - £382 (as agreed) + £6 for private sewers = £388

April 2014 - £387 (as agreed) + £6 for private sewers = £393

April 2015 - £387 + £20 investment costs to be agreed with Ofwat + £6 for private sewers = £413

April 2016 onwards – £387 + £20 investment costs + £4 p.a. as investment costs for private sewers) stabilize = £411



Option B

Bills increase in a couple of years time to start to recover delayed costs of clearing blockages and structural repairs

April 2011 - £376

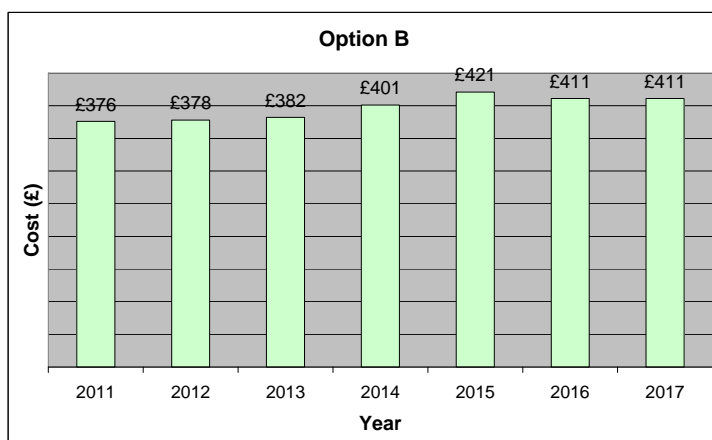
April 2012 - £378 (as agreed)

April 2013 - £382 (as agreed)

April 2014 - £387 (as agreed) + £14 for private sewers = £401

April 2015 - £387 + £20 investment costs to be agreed with Ofwat + £14 for private sewers = £421

April 2016 onwards – £387 + £20 investment costs + £4 p.a. as investment costs for private sewers) stabilize = £411



Option C

Bill increases to recover costs of clearing blockages and structural repairs that are put off for as long as possible i.e. to April 2015

April 2011 - £376

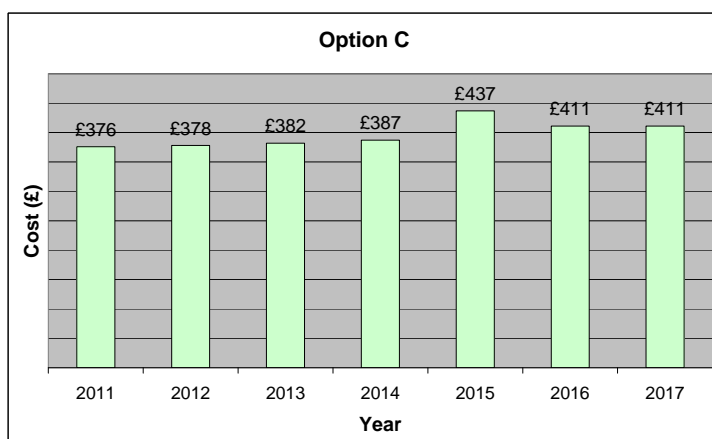
April 2012 - £378 (as agreed)

April 2013 - £382 (as agreed)

April 2014 - £387 (as agreed)

April 2015 - £387 + £20 investment costs to be agreed with Ofwat + £30 for private sewers = £437

April 2016 onwards – £387 + £20 investment costs + £4 p.a. as investment costs for private sewers) stabilize = £411



[AT TODAY'S PRICES]

SHOWCARD C2 – United Utilities

Option A

Bills increase as soon as possible to start covering costs of clearing blockages and structural repairs

April 2011 - £376

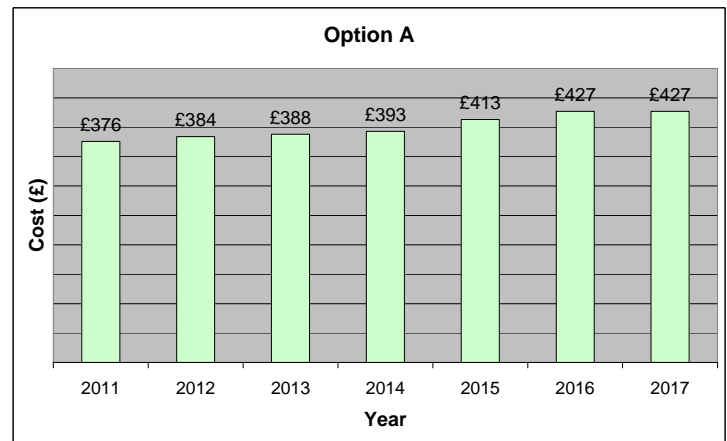
April 2012 - £378 (as agreed) + £6 for private sewers = £384

April 2013 - £382 (as agreed) + £6 for private sewers = £388

April 2014 - £387 (as agreed) + £6 for private sewers = £393

April 2015 - £387 + £20 investment costs to be agreed with Ofwat + £6 for private sewers = £413

April 2016 onwards – £387 + £20 investment costs + £20 p.a. as investment costs for private sewers) stabilize = £427



Option B

Bills increase in a couple of years time to start to recover delayed costs of clearing blockages and structural repairs

April 2011 - £376

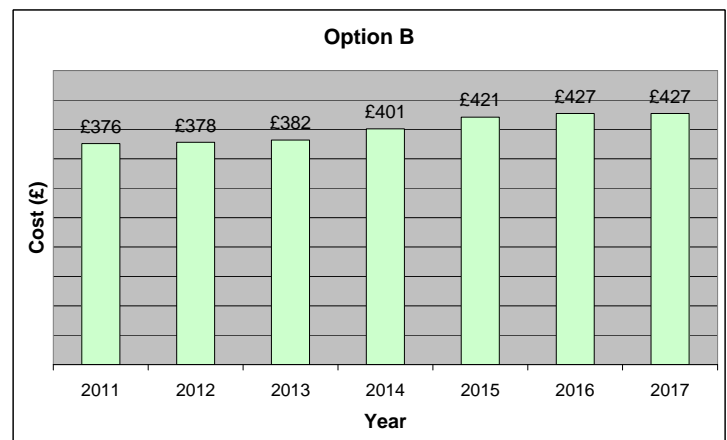
April 2012 - £378 (as agreed)

April 2013 - £382 (as agreed)

April 2014 - £387 (as agreed) + £14 for private sewers = £401

April 2015 - £387 + £20 investment costs to be agreed with Ofwat + £14 for private sewers = £421

April 2016 onwards – £387 + £20 investment costs + £20 p.a. as investment costs for private sewers) stabilize = £427



Option C

Bill increases to recover costs of clearing blockages and structural repairs that are put off for as long as possible i.e. to April 2015

April 2011 - £376

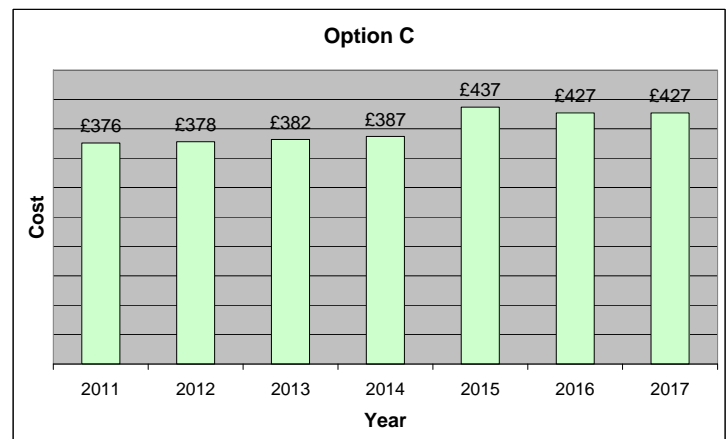
April 2012 - £378 (as agreed)

April 2013 - £382 (as agreed)

April 2014 - £387 (as agreed)

April 2015 - £387 + £20 investment costs to be agreed with Ofwat + £30 for private sewers = £437

April 2016 onwards – £387 + £20 investment costs + £20 p.a. as investment costs for private sewers) stabilize = £427



[AT TODAY'S PRICES]

SHOWCARD C3: United Utilities

Option A

Bills increase as soon as possible to start covering costs of clearing blockages and structural repairs

April 2011 - £376

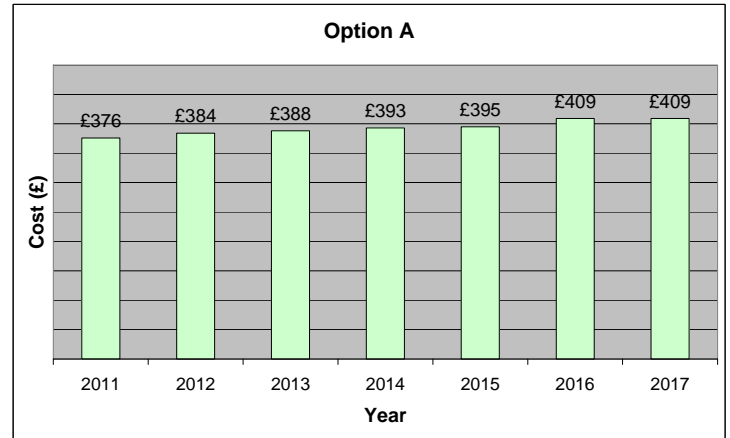
April 2012 - £378 (as agreed) + £6 for private sewers = £384

April 2013 - £382 (as agreed) + £6 for private sewers = £388

April 2014 - £387 (as agreed) + £6 for private sewers = £393

April 2015 - £387 + £2 investment costs to be agreed with Ofwat + £6 for private sewers = £395

April 2016 onwards – £387 + £2 investment costs + £20 p.a. as investment costs for private sewers) stabilize = £409



Option B

Bills increase in a couple of years time to start to recover delayed costs of clearing blockages and structural repairs

April 2011 - £376

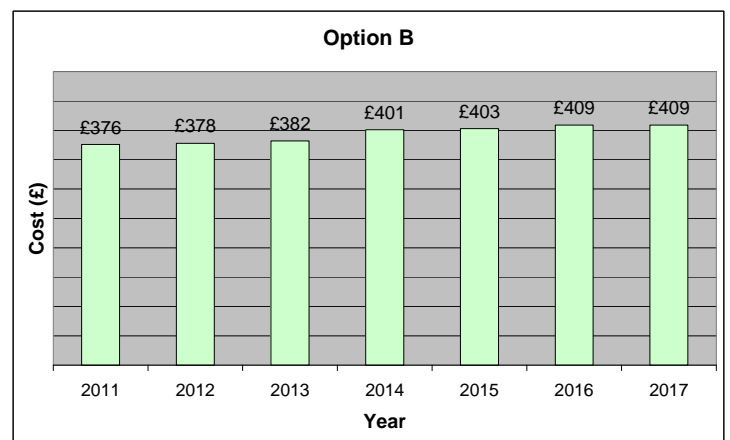
April 2012 - £378 (as agreed)

April 2013 - £382 (as agreed)

April 2014 - £387 (as agreed) + £14 for private sewers = £401

April 2015 - £387 + £2 investment costs to be agreed with Ofwat + £14 for private sewers = £403

April 2016 onwards – £387 + £2 investment costs + £20 p.a. as investment costs for private sewers) stabilize = £409



Option C

Bill increases to recover costs of clearing blockages and structural repairs that are put off for as long as possible i.e. to April 2015

April 2011 - £376

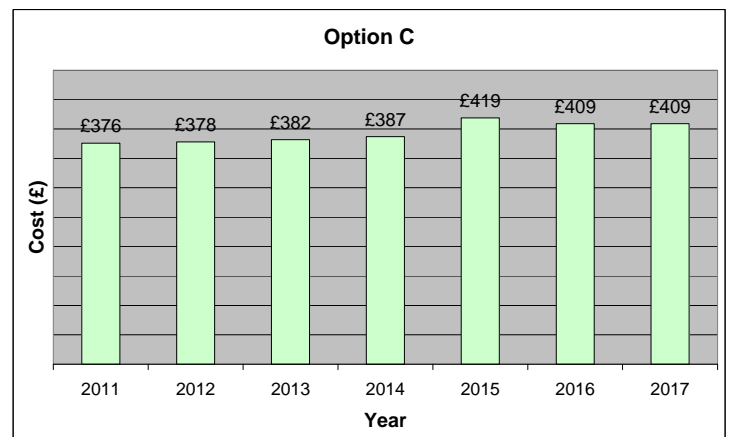
April 2012 - £378 (as agreed)

April 2013 - £382 (as agreed)

April 2014 - £387 (as agreed)

April 2015 - £387 + £2 investment costs to be agreed with Ofwat + £30 for private sewers = £419

April 2016 onwards – £387 + £2 investment costs + £20 p.a. as investment costs for private sewers) stabilize = £409



[AT TODAY'S PRICES]

Appendix B – Quantitative Research Materials

QUESTIONNAIRE FOR QUANTITATIVE SURVEY
BUSINESS CUSTOMER VERSION, FOR ON-LINE SURVEY SAMPLE

Screener: Is your business premises connected to the mains sewerage system?

- Yes Continue
- No Thank & close

CCW logo

Dear Customer

Your Opinions: Important Changes in Customers' Responsibility for Sewerage Pipes and Future Bills

This survey is for The Consumer Council for Water (CCWater), which represents the views of domestic and business customers of Water and Sewerage Companies in England and in Wales.

Thank you for agreeing to complete this questionnaire. It should take no more than 15 minutes and your answers will be kept strictly confidential. Please respond in your working capacity.

Q1 Who supplies your sewerage service? [THE RESPONSE TO THIS QUESTION WILL DEFINE SHOW MATERIALS AND QUESTIONS THROUGHOUT THE QUESTIONNAIRE]

- Anglian Water
- Dwr Cymru Welsh Water
- Northumbrian Water
- Severn Trent Water
- Southern Water
- South West Water
- Thames Water
- United Utilities
- Wessex Water
- Yorkshire Water

1 Your Experience of any Sewerage Problems

Q2 Who do you think is responsible for maintaining sewerage pipes and drains at your business property?

Q3a Have you ever experienced a blocked or broken sewer or drain?

- Yes – at the current business premises
- Yes – but at one of our other business premises
- Yes – but only at previous business premises
- No

[SKIP TO Q3c]

[if yes]

Q3b Who dealt with the problem the last time it arose?

- The Water (Sewerage) Company
- Landlord
- Business or industrial park manager
- Contractor paid by me/ my business
- Contractor paid by me/ my business and other affected properties
- I dealt with it myself
- Insurance company

Q3c Typically, what do you think it would cost to sort out a blockage to your drain if there was a problem?

- Less than £100
- £100 - £250
- £250 - £500
- £500 - £1000
- £1000 - £1500
- More than £1500

Q3d And what do you think it would cost to repair a broken section of your drain (say a 1 metre section)?

- Less than £100
- £100 - £250
- £250 - £500
- £500 - £1000
- £1000 - £1500
- More than £1500

Q4a Is your company insured for costs of blockages or repairs to your sewer/drains?

- Yes
- No
- Unsure/Don't Know

Q4b [If yes]: Approximately how much do you pay for insurance cover for your sewers ? £

Q5a Approximately what was the amount of your last water and sewerage bill?

£ _____

Q5b Was this bill ... Monthly/Quarterly/Yearly/other (please specify ____)?

2 Information from your Water and Sewerage Company

Q6a Have you recently received a letter or leaflet about ownership or responsibility for sewers and drains for your property?

- Yes
- No
- Unsure/Don't Know

[If No or Unsure] – This is what it looked like. [SHOW CUSTOMISED SHOWCARD A1-10 (See Q1)]

Q6b Do you remember receiving this?

- Yes
- No
- Unsure/Don't Know

[If Yes] Just to confirm, this is what it looked like [SHOW CUSTOMISED SHOWCARD A1-10]

Q6c Did you read it? [Yes/Yes in part/ No]

- Yes completely
- Yes in part
- No → SKIP TO Q7a

[If Yes/ Yes in part]

Q6d What information do you remember seeing? (please tick all that apply):

- Change of ownership of sewers and drains
- How different properties will typically be affected
- Ways in which customers will benefit
- Increase in future bills
- How the change will affect businesses
- Advice on how customers can reduce risk of blockages in their pipes
- Information showing who owns different pipes.
- Other (please specify _____)

Q6e The letter or leaflet you read was about a change in responsibility for private sewers and drains. How clear do you feel this information was about the change in your own sewer ownership responsibilities?

[very clear/ fairly clear/ not very clear/ very unclear]

Q6f Specifically, how clearly did you understand from the letter or leaflet that <INSERT TEXT FROM PREVIOUS SHOWCARD> {FOR EXAMPLE, FOR DETACHED HOUSES, 'Responsibility for maintaining the section of drain between your property boundary and main sewer, underneath the road, has

transferred from yourself as owner, to the Water Company; and that you remain responsible for the pipes within your property boundary"}}

[Did you understand this : fully/ partly/ not at all]

3 Understanding of How Different Types of Property are Affected

Q7a Which of these best describes the type of premises you run your business from?

Detached property

Semi-detached

Terraced

Office block

Q7b When it was built?

Built before 1937

Built after 1937

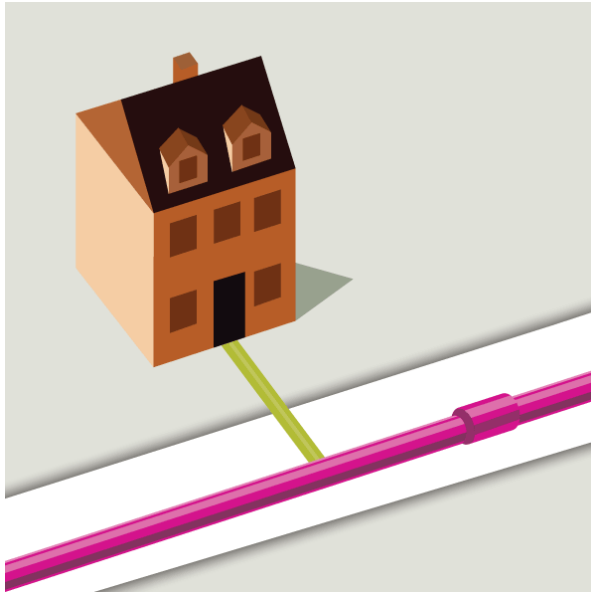
Up until 1st October this year, property owners were responsible for sorting out any blockages in private sewer pipes shared with neighbouring properties and in the drains serving their individual property and lying beyond their property boundary. Unblocking or repairing a shared sewer could be expensive and awkward in getting neighbours to pay their fair share of the cost. Research has found that some homeowners did not know that it was their responsibility to maintain these pipes until a problem occurred.

To simplify the situation the Government transferred the ownership of these sewer pipes and drains from homeowners to the water and sewerage companies on 1 October 2011. This diagram shows, for sewerage pipes that are typical of properties similar in age and type to your property, how responsibilities have changed from 1 October 2011.



Typical Change in Ownership Responsibilities: [SHOW 'BUSINESS' SHOWCARD B1-4 CUSTOMISED BY Q7a B1 Detached Property (overleaf)]

For business premises that are 'units' located within the boundary of a managed or separately owned site (for example a business or retail park, shopping mall or a school/university campus), the drains and sewers within the boundary will not transfer. The only pipe that transfers in this case is the length of sewer that runs from the site boundary up to its connection with the public sewer.

Previous Arrangements

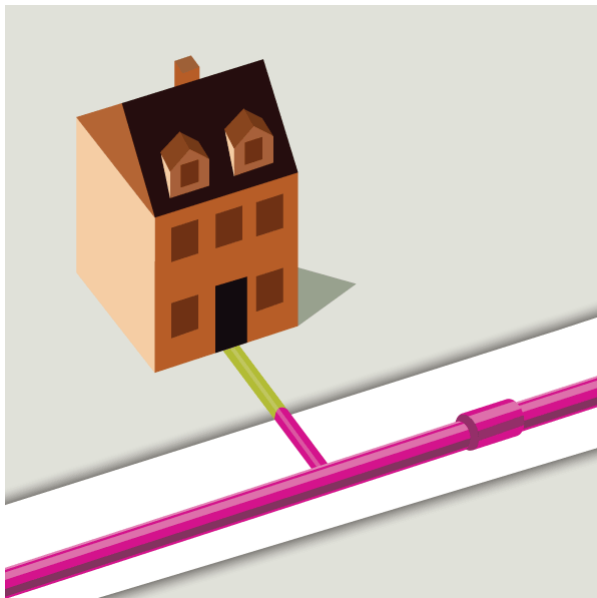


Key



-  Responsibility of property owner
-  Responsibility of water and sewerage company

New Arrangements

- Responsibility for maintaining the section of drain between your property boundary and the main sewer, underneath the road, has transferred to the Water Company.
- You remain responsible for the pipework within your office boundary



Key

-  Responsibility of property owner
-  Responsibility of water and sewerage company

Of course, individual properties will be affected differently, but as you can see that:

- the responsibility for maintaining and clearing \$some/many [detached = "some"; non-detached = "many"] sewer pipes will now pass over to your water company
- pipes which serve just your premises, and are within the boundary of your property, will remain the responsibility of the property owner.

Q7c From the information you have just seen, how clear or unclear do you feel about your sewer ownership responsibilities?

[very clear/ fairly clear/ not very clear/ very unclear]

Q7d Now that you have been given more information about sewer ownership responsibilities, do you feel that there is anything more that companies should be doing to inform people about the change in responsibility?

- Include information with the bill
- Information on home page of website
- Adverts in public areas
- Adverts via local media
- Other _____
- No, the leaflet received was sufficient

4 Priorities for repairing sub-standard sewers and clearing blockages

From 1 October, water and sewerage companies have a much bigger sewer network to maintain – in some cases it will be twice the size it was. It will cost them more to maintain this larger sewer network, but the exact costs are unknown because up until 1st October it has been homeowners who have paid for this.

Blockages and very serious problems needing immediate repair will always be prioritised by the water and sewerage company. There will also be less urgent cases where the company has a choice between visiting to clear recurring blockages **OR** carrying out an expensive repair to prevent these blockages.

Since the costs of maintaining the companies' much bigger sewer network will mean higher bills for all customers (and reduced homeowner responsibility for maintaining pipework themselves) we need to understand customers' preferences with regard to the timing of repair work over the next few years. Which of the 3 service options below would you prefer?

Whichever option (A, B, C) you choose, the bills will increase to cover the same overall cost of management of the expanded sewer network over the longer term.

	Level of Service	Bill Impacts
Service Option A	<p>Clear the blockage and arrange a repair to fix the structural problem as soon as possible.</p> <p>Less chance of future blockages and disrupted service.</p>	<p>The company has more expense sooner because it costs much more to repair pipes and drains than it does to just clear blockages. If a lot of repairs are done soon after the transfer then this will mean a bigger price increase to cover this.</p>
Service Option B	<p>Clear the blockage and defer more costly repair for 2 years unless urgent.</p> <p>Re-visit repeatedly to unblock until repairs are made. More chance of short-term disruption to service as it takes longer for repairs to be done.</p>	<p>The company has less immediate expense than Option A as it plans to do fewer repairs over the first couple of years. It prioritises some repairs and defers others for 2 years. Costs are less in the shorter term, but the deferred repairs will mean a bigger price increase after a couple of years.</p>
Service Option C	<p>Clear the blockage, and defer costly repair until some time after April 2015.</p> <p>Re-visit repeatedly to unblock until repairs are made. More chance of short and medium-term disruption to service as unless very urgent it could be a few years before repairs are done.</p>	<p>The company has less immediate expense than for Options A and B. It prioritises clearing blockages and urgent repairs until at least April 2015.</p> <p>Bills increase sharply after April 2015 as Ofwat* will expect companies to fix backlog that cannot be deferred any longer.</p>

*Ofwat is the economic regulator and part of their role is to set price changes over 5 yearly pricing periods. Prices are currently agreed until the end of March 2015. These prices do not include the extra costs of the sewers and drains which companies are responsible for from 1 October 2011 as these costs were not known when prices were last set. So companies have three and half years of costs (from 1 October 2011 to 31 March 2015) for additional sewers and drains which are not yet included in bills.

5 Timing of bill increases [EXAMPLE=United Utilities]

The bill prices for the next three years which do not include inflation or the costs of sewer transfers were set by Ofwat as: and will be, *on average, around +1% for each of 2012, 2013 and 2014.*

The extra costs of the sewer network will be spread across all customers' bills, regardless of how much an individual customer may benefit by having the responsibility transferred to the sewerage company. However, nothing has yet been decided about increases to cover the costs of sewers and drains, and CCWater wants to ensure that customers' preferences are taken into account when decisions are made.

For more information on how customers' bill prices are set [click here](#)

<Pop-up screen> [VERSION FOR EACH WASC]

How customers' bill prices are set...

Prices in the water industry are set every 5 years for each of the forthcoming five years. In 2009, prices were set by the water regulator, Ofwat, for 2010-2014. Towards the end of 2014, prices will be set for the five years 2015-2019. :

From 2015, water companies will want to invest in several service areas e.g. water treatment and fixing leaks, and prices set by Ofwat may rise to cover these costs.

The extra amount that customers could be asked to pay each year for the costs of sewers and drains partly depends on how soon customers start paying for the work undertaken.

Timing of bill increases

The timing of bill increases makes a difference to how much they will be.

This is because companies either cover the extra costs of the sewer network with income from customers' bills or they will borrow money from the finance markets and pay interest on what they borrow.

There are 3 dates from which bills could increase to cover the costs of private sewers and drains. When thinking about the timing of bill increases, bear in mind:

- Your business' financial situation
- From April 2015, Ofwat will set new prices to cover investment in other services like drinking water, fixing leaks. The price rise for sewers and drains in April 2015 may be in addition to other price changes to cover the on-going costs of other services.
- In addition to the figures below, bills also change by inflation each year.
- The earliest time at which costs relating to the transfer can be applied to bills in April 2013.

[SHOWCARD C] These figures show how a price rise of 0.25% a year from 1 October 2011 to 31 March 2015 (i.e. +1% over 4 years) will change depending on when bills increase:

■ **Bill Option A - bills increase from April 2013.**

- April 2013 increase of 0.5%;
- April 2014 increase of 0.5%;
- From April 2015 onwards the on-going costs of sewers and drains are *at least* 0.25% a year.

■ **Bill Option B – bills increase from April 2014**

- April 2014 increase of 0.75%;
- From April 2015 onwards the on-going costs of sewers and drains are around 0.25% a year.

▪ **Bill Option C - bills increase from April 2013; costs before April 2013 are added to bills from April 2015.**

- April 2013 increase of 0.25%;
- April 2014 increase of 0.25%;
- From April 2015 onwards the on-going costs of sewers and drains are around 0.3% a year.

■ **Bill Option D – bills increase from April 2015.**

- From April 2015 onwards the on-going costs of sewers and drains are around 0.35% a year (and will continue to be higher moving forward than if bill increases had been introduced earlier).

Please consider your preference between these four Options, shown for your region in these charts at 2011 prices (i.e. excluding inflation). The bit in *ORANGE* shows the bill increase to cover the cost of management of the extended sewer network.

Q8a Which would you most prefer your water company to adopt? [A/B/C/D]

Q8b Which would you least prefer your water company to adopt? [A/B/C/D]

As previously explained, we don't know how bills will change after April 2015 to cover the costs of managing other aspects of service as they are still to be decided by Ofwat.

We would like to understand whether, and how, bill increases to cover other aspects of water service would make a difference to your preferred Bill Option for managing the extended sewer network [see Q8a].

Bear in mind that:

- These increases are for other services such as fixing leaks, customer service, and maintaining water treatment works;
- They are in addition to increases for the costs of sewers and drains in Bill Options A to D;
- They exclude inflation.

Q9a Would your preference <\$Option A/B/C/D> in Q8a be different if Ofwat decides that, from April 2015, your bill will increase by +£20 p.a. to cover management of these other water services?

- Yes
- No [SKIP TO Q12]

[IF YES]

Q9b Which Bill Option would you now prefer your water company to adopt? [A/B/C/D]

Q9c Why a change in preference?

Q10a And would your preference <\$Option A/B/C/D> in Q8a be different if Ofwat decides that, from April 2015, your bill will increase by +£10 p.a. to cover management of these other water services?

- Yes
- No [SKIP TO Q12]

[IF YES]

Q10b Which Bill Option would you now prefer your water company to adopt? [A/B/C/D]

Q10c Why a change in preference?

Q11a And would your preference <\$Option A/B/C/D> in Q8a be different if Ofwat decides that, from April 2015, your bill will increase by +£5 p.a. to cover management of these other water services?

- Yes
- No [SKIP TO Q12]

[IF YES]

Q11b Which Bill Option would you now prefer your water company to adopt? [A/B/C/D]

Q11c Why a change in preference?

6 Your Preferences for what your Water Company should do if problems are found in pipes that you are still responsible for

Q12 Suppose you had a blockage to your sewer or drain and were unsure where this blockage was, so you ask <WASC NAME> to investigate and they conclude that the problem was in pipes that you remain responsible for (within your property boundary). Which of these actions would you prefer <WASC NAME> to take:

- Advise you of the problem, where it is and what needs to be done and then leave
- Advise you of the problem and give suggestions as to whom you could contact to fix the problem (including themselves) so you can shop around for the best deal
- [if it looks straight-forward] give suggestions as to whom you could contact to fix the problem and also offer to clear it on your behalf, and charge you for it
- [if it looks straight-forward] clear it on your behalf without charging you, and cover the costs of such a service through a small increase in all customers' bills

7 About Your Business

All your answers will be kept confidential, and this personal information will help us compare the opinions of different types of water (and sewerage) customer.

Q13 Where is your business premises located?

- England
- Wales

Q14 What was your company turnover last financial year?

- Up to £100k
- £101k – £500k
- £501k – £1m

- £1.01m - £5m
- £5.01m - £10m
- £10.01m - £50m
- £50m+

Q15 What age is your business premises?

- Pre-1937
- Post-1937

Q16 Is your business involved in the preparation, processing or delivery of food?

- Yes

Q17 Where are your business premises located?

- In the 'high street'
- A managed business park or industrial estate
- A mix
- In a rural location

Q18 Do you own your business premises?

- Yes, all of them
- Yes, some we own and some we rent
- No, we rent all of them

Q19 If you have any other observations or concerns, please write them in the comment box.

Thank you very much for your help.

Your feedback is very much appreciated, and vital for helping Consumer Council for Water represent the interests of customers.



Dear Customer

Thank you for agreeing to complete this questionnaire. It should take no more than 15 minutes and your answers will be kept strictly confidential.

Q1 Who supplies your sewerage service? [THE RESPONSE TO THIS QUESTION WILL DEFINE SHOW MATERIALS AND QUESTIONS THROUGHOUT THE QUESTIONNAIRE]

Anglian Water	<input type="checkbox"/>	1	South West Water	<input type="checkbox"/>	6
Dwr Cymru Welsh Water	<input type="checkbox"/>	2	Thames Water	<input type="checkbox"/>	7
Northumbrian Water	<input type="checkbox"/>	3	United Utilities	<input type="checkbox"/>	8
Severn Trent Water	<input type="checkbox"/>	4	Wessex Water	<input type="checkbox"/>	9
Southern Water	<input type="checkbox"/>	5	Yorkshire Water	<input type="checkbox"/>	10

1 Your Experience of any Sewerage Problems

Q2 Who do you think is responsible for maintaining sewerage pipes and drains at your property? [PLEASE TICK ONE ONLY]

You / your household	<input type="checkbox"/>	1
Your sewerage company	<input type="checkbox"/>	2
The Council	<input type="checkbox"/>	3
Other (Please specify _____)	<input type="checkbox"/>	4

Q3a Have you ever experienced a blocked or broken sewer or drain?

Yes – at my current property	<input type="checkbox"/>	1
Yes – but only at a different property	<input type="checkbox"/>	2
No	<input type="checkbox"/>	3 → SKIP TO Q3c

[if yes]

Q3b Who dealt with the problem the last time it arose?

The Water (Sewerage) Company	<input type="checkbox"/>	1
Contractor paid by me	<input type="checkbox"/>	2
Contractor paid by me and other affected properties	<input type="checkbox"/>	3
I dealt with it myself	<input type="checkbox"/>	4
Insurance company	<input type="checkbox"/>	5

Q3c Typically, what do you think it would cost to sort out a blockage to your drain if there was a problem?

Less than £100	<input type="checkbox"/> ₁
£100 - £250	<input type="checkbox"/> ₂
£250 - £500	<input type="checkbox"/> ₃
£500 - £1000	<input type="checkbox"/> ₄
£1000 - £1500	<input type="checkbox"/> ₅
More than £1500	<input type="checkbox"/> ₆

Q3d And what do you think it would cost to repair a broken section of your drain (say a 1 metre section)?

Less than £100	<input type="checkbox"/> ₁
£100 - £250	<input type="checkbox"/> ₂
£250 - £500	<input type="checkbox"/> ₃
£500 - £1000	<input type="checkbox"/> ₄
£1000 - £1500	<input type="checkbox"/> ₅
More than £1500	<input type="checkbox"/> ₆

Q4a Are you insured for costs of blockages or repairs to your sewer/drains?

Yes	<input type="checkbox"/> ₁	
No	<input type="checkbox"/> ₂	→ SKIP TO Q5a
Unsure/Don't know	<input type="checkbox"/> ₃	→ SKIP TO Q5a

Q4b [If yes]: Approximately how much do you pay for insurance cover for your sewers ?

£ _____

Q4c Is this...

Monthly	<input type="checkbox"/> ₁
Annually	<input type="checkbox"/> ₂

Q5a Approximately what was the amount of your last water and sewerage bill?

£ _____

Q5b What type of bill was this?

Monthly	<input type="checkbox"/> ₁
Quarterly	<input type="checkbox"/> ₂
6-monthly	<input type="checkbox"/> ₃
Yearly	<input type="checkbox"/> ₄
Other (Please specify _____)	<input type="checkbox"/> ₅

2 Information from your Water and Sewerage Company**Q6a Have you recently received a letter or leaflet about ownership or responsibility for sewers and drains for your property?**

Yes	<input type="checkbox"/> ₁	→ SKIP TO Q6c
No	<input type="checkbox"/> ₂	
Unsure/Don't know	<input type="checkbox"/> ₃	

[If No/Unsure] – **You should have received a letter or leaflet which looked like this....** [SHOW SHOWCARD A1 – A10 DEPENDING ON SEWERAGE COMPANY SELECTED IN Q1] **Q6b Do you remember receiving this?**

Yes	<input type="checkbox"/> ₁	
No	<input type="checkbox"/> ₂	→ SKIP TO Q7a
Unsure/Don't know	<input type="checkbox"/> ₃	

[If Yes] **Just to confirm, this is what it looked like** [SHOW SHOWCARD A1 – A10 DEPENDING ON SEWERAGE COMPANY SELECTED IN Q1]

Q6c Did you read it?

Yes completely	<input type="checkbox"/> ₁	
Yes in part	<input type="checkbox"/> ₂	
No	<input type="checkbox"/> ₃	→ SKIP TO Q7a

[If Yes/ Yes in part]

Q6d What information do you remember seeing? (please tick all that apply):

Change of ownership of sewers and drains	<input type="checkbox"/> ₁
How different properties will typically be affected	<input type="checkbox"/> ₂
Ways in which customers will benefit	<input type="checkbox"/> ₃
Increase in future bills	<input type="checkbox"/> ₄
How the change will affect businesses	<input type="checkbox"/> ₅
Advice on how customers can reduce risk of blockages in their pipes	<input type="checkbox"/> ₆
Information showing who owns different pipes	<input type="checkbox"/> ₇
Other (please specify _____)	<input type="checkbox"/> ₈

Q6e The letter or leaflet you read was about a change in responsibility for private sewers and drains. How clear do you feel this information was about the change in your own sewer ownership responsibilities?

Very clear	<input type="checkbox"/> ₁
Fairly clear	<input type="checkbox"/> ₂
Not very clear	<input type="checkbox"/> ₃
Very unclear	<input type="checkbox"/> ₄

Q6f Specifically, how clearly did you understand from the letter or leaflet that responsibility for maintaining the section of drain between your property boundary and main sewer, underneath the road, has transferred from yourself as owner, to the Water Company; and that you remain responsible for the pipes within your property boundary. Furthermore the responsibility for any pipes that were jointly owned between neighbours has now been passed to the water company.

Did you understand this?

Fully	<input type="checkbox"/> ₁
Partly	<input type="checkbox"/> ₂
Not at all	<input type="checkbox"/> ₃

3 Understanding of How Different Types of Property are Affected

Q7a Which of these best describes the type of property you live in?

Detached house	<input type="checkbox"/> ₁
Semi-detached house	<input type="checkbox"/> ₂
Terraced house	<input type="checkbox"/> ₃
Flat	<input type="checkbox"/> ₄

Q7b When was it built?

Built before 1937	<input type="checkbox"/> ₁
Built after 1937	<input type="checkbox"/> ₂

Up until 1st October this year, homeowners were responsible for sorting out any blockages in private sewer pipes shared with neighbouring properties and in the drains serving their individual property and lying beyond their property boundary. Unblocking or repairing a shared sewer could be expensive and awkward in getting neighbours to pay their fair share of the cost. Research has found that some homeowners did not know that it was their responsibility to maintain these pipes until a problem occurred.

To simplify the situation the Government transferred the ownership of these sewer pipes and drains from homeowners to the water and sewerage companies on 1 October 2011.

SHOW SHOWCARD B1 – B4 DEPENDING ON Q7a. This diagram shows, for sewerage pipes that are typical of properties similar in age and type to your property, how responsibilities have changed from 1 October 2011.

Of course, individual properties will be affected differently, but as you can see that:

- the responsibility for maintaining and clearing some sewer pipes will now pass over to your water company
- pipes which serve just your premises, and are within the boundary of your property, will remain the responsibility of the property owner.

Q7c From the information you have just seen, how clear or unclear do you feel about your sewer ownership responsibilities?

Very clear	<input type="checkbox"/> ₁
Fairly clear	<input type="checkbox"/> ₂
Not very clear	<input type="checkbox"/> ₃
Very unclear	<input type="checkbox"/> ₄

Q7d Now that you have been given more information about sewer ownership responsibilities, do you feel that there is anything more that companies should be doing to inform people about the change in responsibility?

Include information with the bill	<input type="checkbox"/> ₁
Information on home page of website	<input type="checkbox"/> ₂
Adverts in public areas	<input type="checkbox"/> ₃
Adverts via local media	<input type="checkbox"/> ₄
Other _____	<input type="checkbox"/> ₅
No, the leaflet received was sufficient	<input type="checkbox"/> ₆

4 Priorities for repairing sub-standard sewers and clearing blockages

From 1 October, water and sewerage companies have a much bigger sewer network to maintain – in some cases it will be twice the size it was. It will cost them more to maintain this larger sewer network, but the exact costs are unknown because up until 1st October it has been homeowners who have paid for this. The extra costs of sewers and drains will be spread across all household and business customer bills.

Blockages and very serious problems needing immediate repair will always be prioritised by the water and sewerage company. There will also be less urgent cases where the company has a choice between visiting to clear recurring blockages **OR** carrying out an expensive repair to prevent these blockages.

Since the costs of maintaining the companies' much bigger sewer network will mean higher bills for all customers (and reduced homeowner responsibility for maintaining pipework themselves) we need to understand customers' preferences with regard to the timing of repair work over the next few years. In a moment I shall show you 3 potential service options. Please tell me which you prefer?

Whichever option (A, B, C) you choose, the bills will increase to cover the same overall cost of management of the expanded sewer network over the longer term.

[INTERVIEWER: PLEASE SHOW OPTIONS A, B, C TO THE RESPONDENT]

	Level of Service	Bill Impacts
Service Option A	<p>Clear the blockage and arrange a repair to fix the structural problem as soon as possible.</p> <p>Less chance of future blockages and disrupted service.</p>	<p>The company has more expense sooner because it costs much more to repair pipes and drains than it does to just clear blockages. If a lot of repairs are done soon after the transfer then this will mean a bigger price increase to cover this.</p>
Service Option B	<p>Clear the blockage and defer more costly repair for 2 years unless urgent.</p> <p>Re-visit repeatedly to unblock until repairs are made. More chance of short-term disruption to service as it takes longer for repairs to be done.</p>	<p>The company has less immediate expense than Option A as it plans to do fewer repairs over the first couple of years. It prioritises some repairs and defers others for 2 years. Costs are less in the shorter term, but the deferred repairs will mean a bigger price increase after a couple of years.</p>
Service Option C	<p>Clear the blockage, and defer costly repair until some time after April 2015.</p> <p>Re-visit repeatedly to unblock until repairs are made. More chance of short and medium-term disruption to service as unless very urgent it could be a few years before repairs are done.</p>	<p>The company has less immediate expense than for Options A and B. It prioritises clearing blockages and urgent repairs until at least April 2015.</p> <p>Bills increase sharply after April 2015 as Ofwat* will expect companies to fix backlog that cannot be deferred any longer.</p>

Please select the option you prefer A, B or C.

A	<input type="checkbox"/>	C	<input type="checkbox"/>
B	<input type="checkbox"/>		

**Ofwat is the economic regulator and part of their role is to set price changes over 5 yearly pricing periods. Prices are currently agreed until the end of March 2015. These prices do not include the extra costs of the sewers and drains which companies are responsible for from 1 October 2011 as these costs were not known when prices were last set.*

So companies have three and half years of costs (from 1 October 2011 to 31 March 2015) for additional sewers and drains which are not yet included in bills.

5 Timing of bill increases [EXAMPLE=United Utilities]

SHOW SHOWCARD C1 – C10 DEPENDING ON SEWERAGE COMPANY (Q1)

The bill prices for water and sewerage services for the next three years have been set by Ofwat for each of the next 3 years (2012–2014) and are as depicted in the green bars. [INTERVIEWER – PLEASE POINT TO GREEN BARS FOR 2012, 2013, 2014 AND HIGHLIGHT TO THE RESPONDENT THAT THIS IS THE SAME FOR ALL 4 OPTIONS (A, B, C, D)]

Nothing has yet been decided about increases to cover the costs of sewers and drains, and CCWater wants to ensure that customers' preferences are taken into account when decisions are made.

IF RESPONDENT WANTS MORE INFORMATION ABOUT PRICE SETTING

How customers' bill prices are set...

Prices in the water industry are set every 5 years for each of the forthcoming five years. In 2009, prices were set by the water regulator, Ofwat, for 2010-2014. Towards the end of 2014, prices will be set for the five years 2015-2019.

From 2015, water companies will want to invest in several service areas e.g. water treatment and fixing leaks, and prices set by Ofwat may rise to cover these costs.

The extra amount that customers could be asked to pay each year for the costs of sewers and drains partly depends on how soon customers start paying for the work undertaken.

Timing of bill increases

The timing of bill increases makes a difference to how much they will be.

This is because companies either cover the extra costs of the sewer network with income from customers' bills or they will borrow money from the finance markets and pay interest on what they borrow.

There are 3 dates from which bills could increase to cover the costs of private sewers and drains. When thinking about the timing of bill increases, bear in mind:

- Your own financial situation;
- From April 2015, Ofwat will set new prices to cover investment in other services like drinking water, fixing leaks. The price rise for sewers and drains in April 2015 may be in addition to other price changes to cover the on-going costs of other services. From 2015 bills could fall or stay around the same level, **but for this exercise we assume a bill increase of +£5 a year to cover other aspects of service from 2015 onwards;**
- In addition to the figures below, bills also change by inflation each year; and
- The earliest time at which the extra costs of sewers and drains can be added to bills is April 2013.

The figures below assume that private sewers and drains will cost customers an extra £10 a year from 1 October 2011 to 31 March 2015 (i.e. £35 over 3½ years). Each Bill Option shows how the amount added to bills depends on when bills start to increase.

- **Bill Option A – bills increase from April 2013**
 - April 2013 increase of £17.50;
 - April 2014 increase of £17.50; and
 - From April 2015 onwards the on-going costs of sewers and drains are *at least* £10 a year.

- **Bill Option B – bills increase from April 2014**
 - April 2014 increase of £35.00; and
 - From April 2015 onwards the on-going costs of sewers and drains are around £10 a year.

- **Bill Option C – bills increase from April 2013; costs before April 2013 are added to bills from April 2015**
 - April 2013 increase of £10.00;
 - April 2014 increase of £10.00; and
 - From April 2015 onwards the on-going costs of sewers and drains are around £13 a year.

- **Bill Option D – bills increase from April 2015**
 - From April 2015 onwards the on-going costs of sewers and drains are around £17 a year (and will continue to be higher moving forward than if bill increases had been introduced earlier).

Please consider your preference between these four Options, shown for your region in these charts at 2011 prices (i.e. excluding inflation). The bit in *ORANGE* shows the bill increase to cover the cost of management of the extended sewer network.

Q8a Which would you most prefer your water company to adopt?

A	<input type="checkbox"/> ₁	C	<input type="checkbox"/> ₃
B	<input type="checkbox"/> ₂	D	<input type="checkbox"/> ₄

Q8b Which would you least prefer your water company to adopt?

A	<input type="checkbox"/> ₁	C	<input type="checkbox"/> ₃
B	<input type="checkbox"/> ₂	D	<input type="checkbox"/> ₄

As previously explained, we don't know how much bills will be after 2015 as this has yet to be decided by Ofwat. They could decide that bill levels should fall, stay around the same level they are now, or that they should increase.

We would like to understand whether, and how, bill increases to cover other aspects of water service would make a difference to your preferred Bill Option for managing the extended sewer network [see Q8a].

Bear in mind that:

- These increases are for other services such as fixing leaks, customer service, and maintaining water treatment works;
- They are in addition to increases for the costs of sewers and drains in Bill Options A to D; and
- They exclude inflation.

Q9a Would your preference in Q8a be different if Ofwat decides that, from April 2015, your bill will increase by +£20 p.a. to cover management of these other water services?

Yes	<input type="checkbox"/> ₁	→ SKIP TO Q12
No	<input type="checkbox"/> ₂	

[IF YES]

Q9b Which Bill Option would you now prefer your water company to adopt?

A	<input type="checkbox"/> ₁	C	<input type="checkbox"/> ₃
B	<input type="checkbox"/> ₂	D	<input type="checkbox"/> ₄

Q9c Why a change in preference?

Q10a And would your preference in Q8a be different if Ofwat decides that, from April 2015, your bill will increase by +£10 p.a. to cover management of these other water services?

Yes	<input type="checkbox"/> ₁	→ SKIP TO Q12
No	<input type="checkbox"/> ₂	

[IF YES]

Q10b Which Bill Option would you now prefer your water company to adopt?

A	<input type="checkbox"/> ₁	C	<input type="checkbox"/> ₃
B	<input type="checkbox"/> ₂	D	<input type="checkbox"/> ₄

Q10c Why a change in preference?

6 Your Preferences for what your Water Company should do if problems are found in pipes that you are still responsible for

Q12 Suppose you had a blockage to your sewer or drain and were unsure where this blockage was, so you ask your water company to investigate and they conclude that the problem was in pipes that you remain responsible for (within your property boundary). Which of these actions would you prefer your water company to take:

Advise you of the problem, where it is and what needs to be done and then leave	<input type="checkbox"/> ₁
Advise you of the problem and give suggestions as to whom you could contact to fix the problem (including themselves) so you can shop around for the best deal	<input type="checkbox"/> ₂
[if it looks straight-forward] give suggestions as to whom you could contact to fix the problem and also offer to clear it on your behalf, and charge you for it	<input type="checkbox"/> ₃
[if it looks straight-forward] clear it on your behalf without charging you, and cover the costs of such a service through a small increase in all customers' bills	<input type="checkbox"/> ₄

7 About Yourself

All your answers will be kept confidential, and this personal information will help us compare the opinions of different types of water (and sewerage) customer.

Q13 How long have you lived at your current address?

Less than 1 year	<input type="checkbox"/> ₁
For 1 – 5 years	<input type="checkbox"/> ₂
For 6 – 10 years	<input type="checkbox"/> ₃
For 11 – 20 years	<input type="checkbox"/> ₄
Longer than 20 years	<input type="checkbox"/> ₅

Q14 Is your home owned or rented?

Owned / buying on a mortgage	<input type="checkbox"/> ₁
Rented from a private landlord	<input type="checkbox"/> ₂
Rented from the Local Authority or a Housing Association	<input type="checkbox"/> ₃

Q15 Is the water supply to your home metered or unmetered?

Metered	<input type="checkbox"/> 1
Unmetered	<input type="checkbox"/> 2
Don't Know	<input type="checkbox"/> 3

Q16 Are you...?

Male	<input type="checkbox"/> 1
Female	<input type="checkbox"/> 2

Q17 Which age group are you in...?

16 – 34	<input type="checkbox"/> 1
35 – 44	<input type="checkbox"/> 2
45 – 54	<input type="checkbox"/> 3
55 – 64	<input type="checkbox"/> 4
65+	<input type="checkbox"/> 5

Q18 Are you...? (tick one)

Working full-time	<input type="checkbox"/> 1
Working part-time	<input type="checkbox"/> 2
Not working	<input type="checkbox"/> 3
Retired	<input type="checkbox"/> 4
Full-time student	<input type="checkbox"/> 5

Q19 Which of these best describes the occupation of the Chief Wage Earner in your household? (tick one)

Professional/Senior Managerial	<input type="checkbox"/> 1	Full-time student	<input type="checkbox"/> 6
Middle Managerial	<input type="checkbox"/> 2	Retired	<input type="checkbox"/> 7
Junior Managerial/Clerical/Supervisory	<input type="checkbox"/> 3	Unemployed/ between jobs	<input type="checkbox"/> 8
Skilled Manual (with professional qualifications/ served an apprenticeship)	<input type="checkbox"/> 4	Housewife/ Househusband	<input type="checkbox"/> 9
Unskilled Manual (no qualifications/ not served an apprenticeship)	<input type="checkbox"/> 5		

Q20 To which of these ethnic groups do you consider you belong? (tick one)

White – British	<input type="checkbox"/> ₁	Asian/Asian British – Bangladeshi	<input type="checkbox"/> ₉
White – Irish	<input type="checkbox"/> ₂	Asian/Asian British – Pakistani	<input type="checkbox"/> ₁₀
White – Other	<input type="checkbox"/> ₃	Asian/Asian British – Other	<input type="checkbox"/> ₁₁
Mixed – White & Black Caribbean	<input type="checkbox"/> ₄	Black/Black British – Caribbean	<input type="checkbox"/> ₁₂
Mixed – White & Black African	<input type="checkbox"/> ₅	Black/Black British – African	<input type="checkbox"/> ₁₃
Mixed – White & Asian	<input type="checkbox"/> ₆	Black/Black British – Other	<input type="checkbox"/> ₁₄
Mixed – Other	<input type="checkbox"/> ₇	Chinese	<input type="checkbox"/> ₁₅
Asian/Asian British - Indian	<input type="checkbox"/> ₈	Other (Please write in)	<input type="checkbox"/> ₁₆

Thank you very much for your help.

Your feedback is very much appreciated, and vital for helping Consumer Council for Water represent the interests of customers.

[NOW RECORD DETAILS BELOW]

READ OUT: For quality control reasons a proportion of respondents are contacted after fieldwork to check that the interview was carried out properly. Therefore can I take down your name and telephone number, which will not be linked to your answers?

Respondent's Full Name: _____

Telephone Number: _____

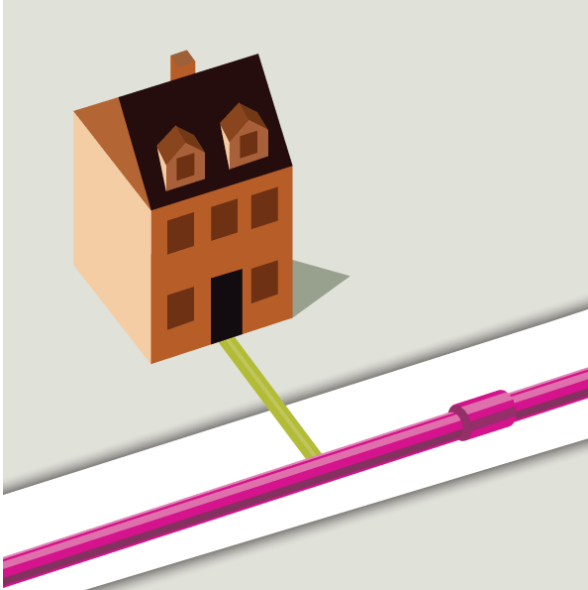
Q22 Would you be willing to be re-contacted for further research on this subject?

Yes	<input type="checkbox"/> ₁
No	<input type="checkbox"/> ₂



SHOWCARD B1

Typical Change in Ownership Responsibilities: Detached Houses

Previous Arrangements

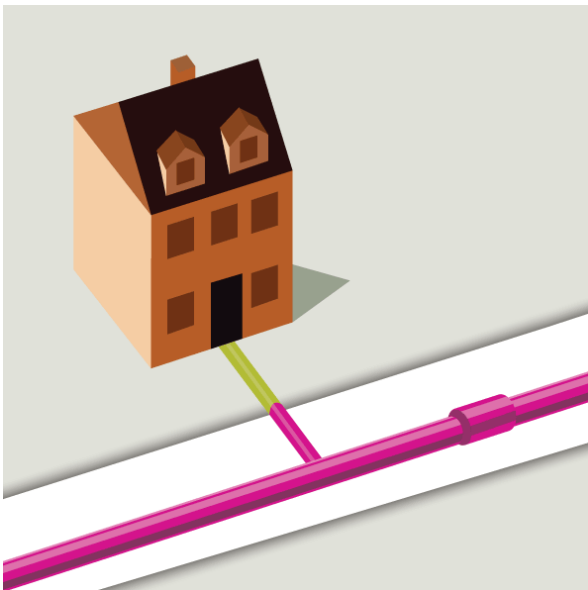


Key



-  Responsibility of house owner
-  Responsibility of water and sewerage company

New Arrangements

- Responsibility for maintaining the section of drain between your property boundary and the main sewer, underneath the road, has transferred to the Water Company.
- You remain responsible for the pipework within your boundary.



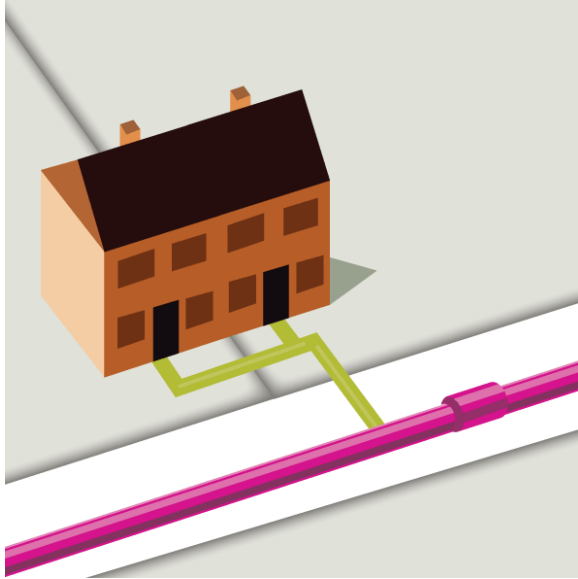
Key

-  Responsibility of house owner
-  Responsibility of water and sewerage company



SHOWCARD B2

Typical Change in Ownership Responsibilities: Semi-Detached Houses

Previous Arrangements

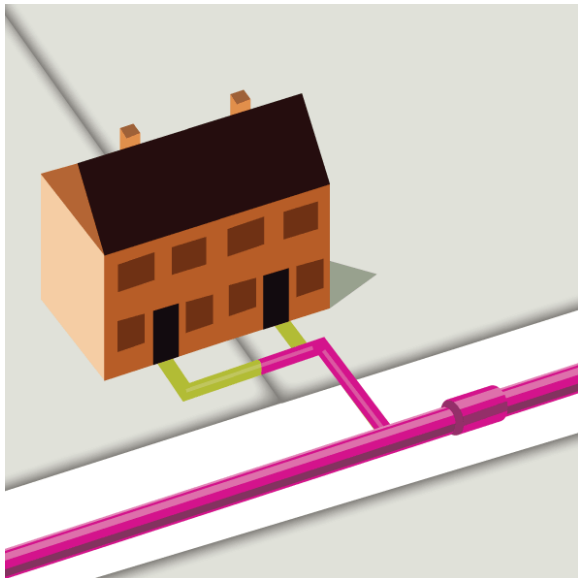


Key



-  Responsibility of house owner
-  Responsibility of water and sewerage company

New Arrangements

- Responsibility for maintaining the section of drain between your property boundary and the main sewer, underneath the road, has transferred to the Water Company.
- You remain responsible for the pipework within your boundary.



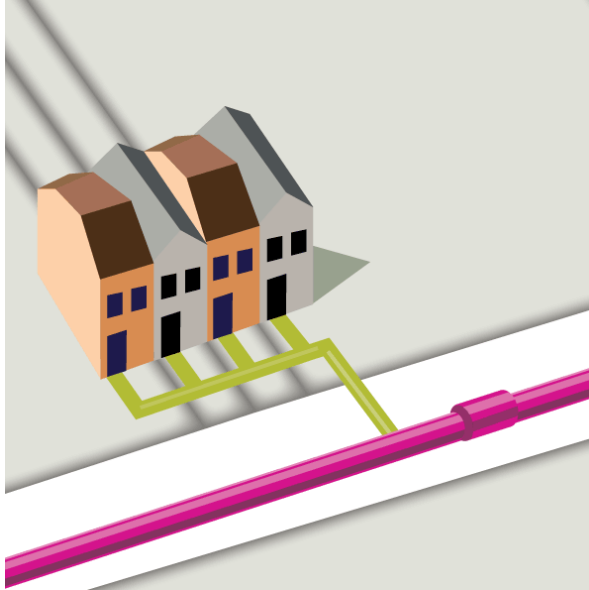
Key

-  Responsibility of house owner
-  Responsibility of water and sewerage company



SHOWCARD B3

Typical Change in Ownership Responsibilities: Terraced Houses

Previous Arrangements

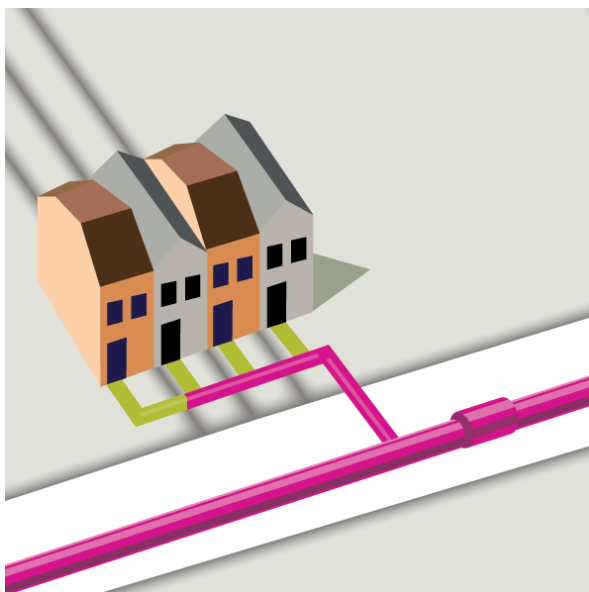


Key



-  Responsibility of house owner
-  Responsibility of water and sewerage company

New Arrangements

- Responsibility for maintaining the section of drain between your property boundary and the main sewer, underneath the road, has transferred to the Water Company.
- You remain responsible for the pipework within your boundary.



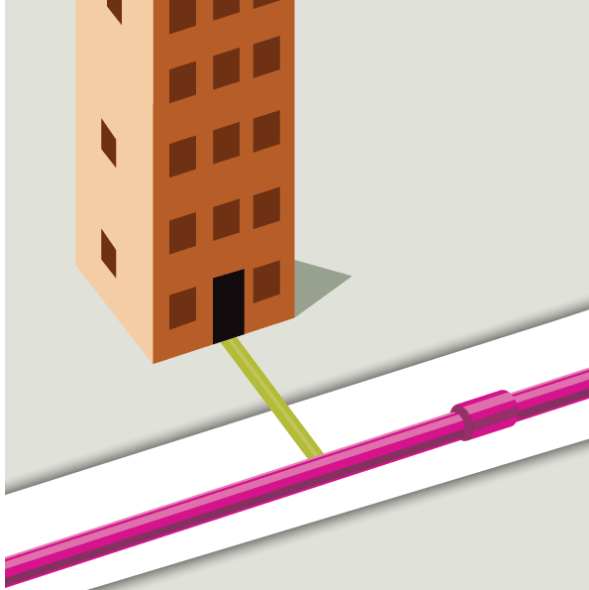
Key

-  Responsibility of house owner
-  Responsibility of water and sewerage company



SHOWCARD B4

Typical Change in Ownership Responsibilities: Flats

Previous Arrangements

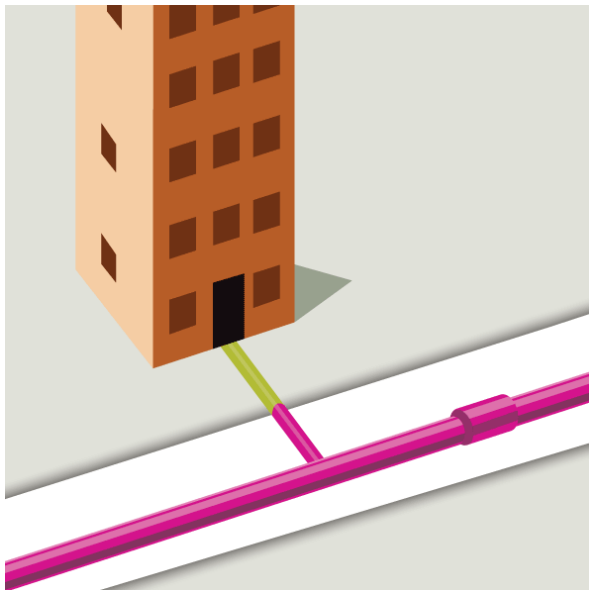


Key



-  Responsibility of house owner
-  Responsibility of water and sewerage company

New Arrangements

- Responsibility for maintaining the section of drain between your property boundary and the main sewer, underneath the road, has transferred to the Water Company.
- You remain responsible for the pipework within your boundary.



Key

-  Responsibility of house owner
-  Responsibility of water and sewerage company

Appendix C – Company Notices



Anglian Water Services Limited

Notice of proposal to adopt private sewers and lateral drains

To: The owner(s) of private sewers and lateral drains

Anglian Water Services Limited ('Anglian Water') gives notice under Sections 102 and 105A of the Water Industry Act 1991 ('the Act') that in accordance with a scheme or schemes made by the Secretary of State under the Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011 ('the Transfer Regulations'):

1. on 1 October 2011:
 - a. any private sewer (excluding pumping stations and highway drains or sewers) situated within Anglian Water's sewerage area and which, immediately before 1 July 2011, communicates with a public sewer; and
 - b. any private lateral drain (excluding pumping stations) which, immediately before 1 July 2011, communicates with a public sewer vested in Anglian Water; and
2. on 1 October 2016, any pumping station which forms part of such a sewer or lateral drain and has not been transferred to Anglian Water before that date;

will transfer to Anglian Water and become a public sewer or public lateral drain belonging to Anglian Water unless that private sewer or private lateral drain is subject to an outstanding appeal under Section 105B of the Act.

This notice does not apply to private sewers or private lateral drains which:

1. are owned by a railway undertaker; or
2. are situated on or under Crown land and Anglian Water has received notice in writing before 1 July 2011 from the appropriate authority that the private sewer or private lateral drain should be exempt.

Any owner of a private sewer, private lateral drain or pumping station or any other person affected by the proposal to adopt a private sewer, private lateral drain or pumping station, or the failure to do so, may appeal to the Water Services Regulation Authority (Ofwat) within 2 months of service or publication of this notice, whichever is the later. The grounds on which you can appeal are set out in Section 105B(3) of the Act. Ofwat can be contacted at Centre City Tower, 7 Hill Street, Birmingham, B5 4UA or by email to: appealtransfer@ofwat.gsi.gov.uk

Any terms used in the Transfer Regulations have the same meaning when used in this notice.

Signed: Claire Russell
Company Secretary.

Anglian Water Services Limited
Anglian House
Ambury Road
Huntingdon
Cambridgeshire
PE29 3NZ

Registered in England, no.2366656

HOW SEWER OWNERSHIP IS CHANGING FROM 1 OCTOBER 2011

...AND HOW TO AVOID SMELLY BLOCKAGES
AND UNEXPECTED COSTS



KEEP ME
HANDY IN
CASE OF AN
EMERGENCY



Dŵr Cymru
Welsh Water

Dŵr Cymru Welsh Water
Linea
Fortran Road
St Mellons
Cardiff
CF3 0LT

Tel: 0800 052 0148
Web site: www.dwrcymru.com

Dear Customer

Changes to the ownership of your drains and sewers

I have to let you know about changes to the ownership of some drains and sewers that serve your property. By law we must inform all property owners of these changes and the legal notice explaining the change of ownership is on the back of this letter. Every property owner in England and Wales is getting a letter like this one from their local water and sewerage company.

What is changing?

Property owners are responsible for the pipes that drain from their property into the public sewer network - but in many cases, as things stand, this includes pipes that go beyond the boundary of their property. Often people are unaware of this responsibility until there is a problem and they face a repair bill. This is what is going to change.

The Government has decided that the pipes that go beyond the boundary of the property – called “private sewers and lateral drains” – would be better looked after if they were part of the public sewer network and the responsibility of your local water and sewerage company.

What do I have to do?

YOU DO NOT HAVE TO DO ANYTHING – the transfer of ownership will happen automatically on 1 October later this year. The purpose of this letter is just to let you know that this is happening.

Please read the enclosed leaflet, because it gives you more information on which pipes are transferring to us and which ones will remain the responsibility of property owners. If you want to know more or you have a particular question then please go to our website at www.dwrcymru.com. **If you are not the property owner, can you please pass this letter on to them. Or, if you are a housing association or council tenant you do not need to do anything, because we have already been in contact with your landlord.**

Thank you.

Nigel Annett
Managing Director

If you need a large print, audio or Braille version of this letter and leaflet, please contact us on the telephone number quoted at the top of this letter or text us on minicom text phone 0800 052 4125.

Your guide to the changes

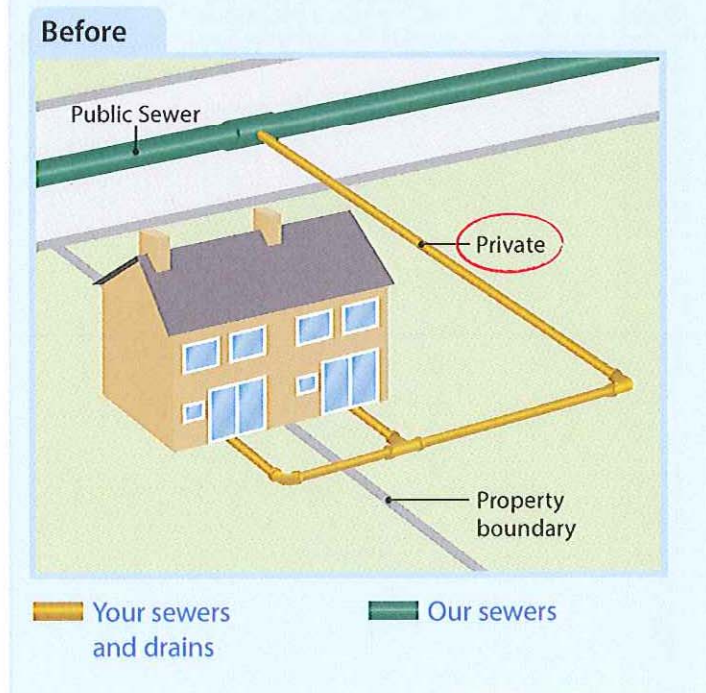
New Government legislation means that from 1 October 2011 Dŵr Cymru Welsh Water takes over responsibility for some sewer pipes that currently belong to home and business owners.

This information is for owners of properties that are currently connected to the public sewers within the Welsh Water sewerage operating area. It should be read in conjunction with the accompanying letter. Together, they give you all the information you need to understand the changes. It is important that you read this leaflet even if you receive your bills from another water company, because Welsh Water will take over responsibility for your sewers.

1. Why is the transfer taking place?

Currently property owners are responsible for the pipes that drain from their property into public sewers. This can include pipes that go beyond the property boundary – and property owners are often unaware that they are responsible for these pipes until problems occur and they face a repair bill. The Government has decided that some specific pipes, called private sewers and lateral drains, would be better looked after if they formed part of the public sewer network which is the responsibility of sewerage companies.

Typical example of how responsibilities will change



2. Will this move benefit property owners?

Yes. As well as causing unexpected bills for property owners, when there is a blockage for example, problems with private sewers also cause disputes between neighbours over who is responsible. Property owners will have the peace of mind that future problems with these pipes will be dealt with by their sewerage company. If you receive a surface water rebate it will not be affected by this change.

July 2011

Customer Centre
PO Box 300, Durham, DH1 9WQ
Telephone: +44 (0) 845 601 7762
Website: www.nwl.co.uk

Open between
8.00am and 6.00pm Monday to Friday
9.00am and 1.00pm Saturday

Dear property owner / occupier

Private drains and sewers notice. You do not need to contact us or take any action.

From 1 October 2011, the Government will transfer the ownership and maintenance of many private drains and sewers to water companies. After this date, privately owned sewage pumping stations are also expected to gradually transfer to water company ownership by 2016.

The enclosed legal notice is something we must issue to every property in the Northumbrian Water region to notify you of the transfer before it takes place. We hope this letter clearly explains what the transfer will mean for you and the benefits it will bring.

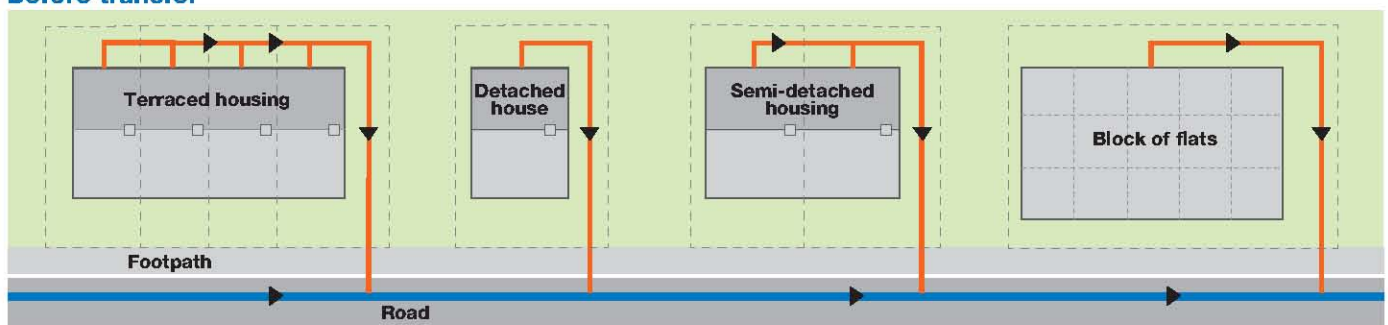
What are private drains and sewers?

At the moment, you or your landlord are responsible for private drains and some sewers. These are the pipes that take rainwater and wastewater away from places in your property such as your kitchen sink, washing machine, bathroom and toilet into Northumbrian Water's public sewer, which is usually located in the main road. You may currently be responsible for part of the drain outside the boundary of your property, or partly responsible for a shared sewer used by you and your neighbours.

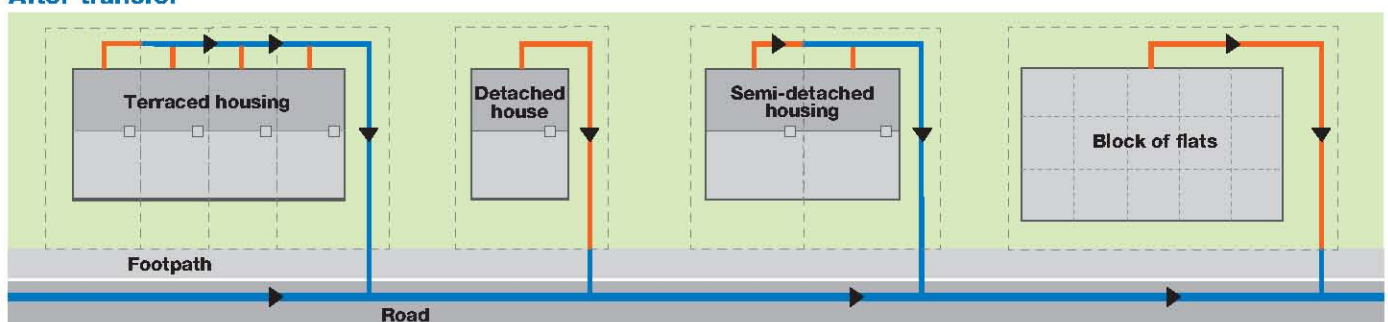
What will transfer?

The pictures below show how responsibilities will change from 1 October 2011. You or your landlord will still be responsible for the drains that serve only your property and are within its boundary, as well as gutters and downpipes attached to your property. Ownership of all other pipes will transfer to Northumbrian Water.

Before transfer



After transfer



Key

- Owner/occupier responsibility
- Northumbrian Water's responsibility
- ▶ Direction of flow
- Property boundary

And this is what it means:

On 1 October 2011 the government will be transferring all sewage pipes outside your property boundaries and all sewage pipes which are shared with another property within your boundary to the sewerage/water companies. Privately owned pumping stations which meet the same criteria will also be adopted by sewerage/water companies on or before 1 October 2016.

Why is the transfer taking place?

At present, property owners are usually responsible for the sewage pipes that drain into public sewers, up to the point that they connect to those sewers. This can include pipes that go beyond their property boundary. People are often unaware that they are responsible for repairs and on-going maintenance of these drains or pipes until a problem occurs and they are hit by a potentially large bill.

The transfer will give more effective maintenance of assets, reduce neighbour disputes over repair costs and will allow for a better approach to managing the sewerage network.

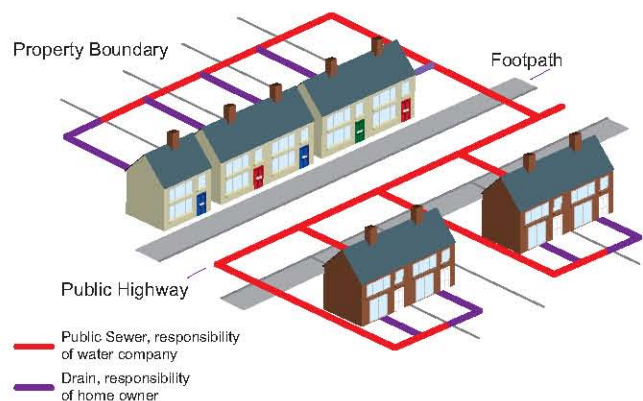
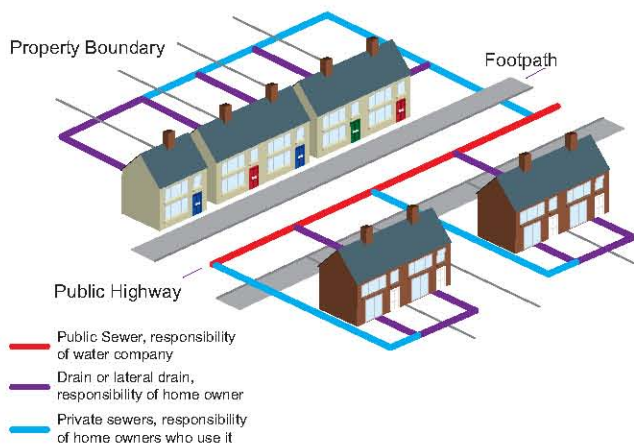
How will responsibilities change?

Today

Property owners are usually responsible for everything up to the main sewer, including the connection.

Post-transfer

- All sewers outside property boundaries and sewers within property boundaries which are shared with another property will transfer to Severn Trent Water.
- Property owners remain responsible for the private drains within their boundary.



You do not need to do anything. The pipes which transfer to us will transfer automatically. Drainage pipes within your property boundary, which drain just your property, will remain your responsibility.

How will this affect my bill?

Sewerage bills will be impacted by the additional responsibility we will be taking on, the cost of which will be spread across all customers. The government body DEFRA has estimated that this could add between £3 and £14 to customers' bills per year, but this could be higher and will be dependant on the rate of wear and tear of pipes, numbers of blockages and OFWAT, who regulate the water industry's charges. You can help keep Severn Trent Water's bills as low as possible by not putting fats and oils down the sink and not flushing away sanitary products, baby wipes and cotton buds. We will continue to ensure you receive the best possible value for money for the service you receive.

For more information and frequently asked questions go to www.stwater.co.uk/sewerownership

July 2011

Dear Customer

Enclosed with this letter is a legal notice which you should read as it may affect you.

The Government has announced that the responsibility for many private sewers and lateral drains which drain to a public sewer and extend beyond your property boundary will transfer to water and sewerage companies on 1 October 2011.

What are sewers, drains and lateral drains?

Sewers are pipes which carry waste from more than one property. Drains are pipes which carry waste from a single property to the sewer. These become lateral drains when they extend beyond the boundary of the property.

How will the transfer affect me?

At the moment, many properties own sewers and lateral drains that run beyond the boundary of their property. They are responsible for the maintenance and repair of these pipes – but are often unaware of this until a problem arises.

From 1 October 2011, South West Water will take over ownership of private sewers and lateral drains that extend beyond individual property boundaries within its area.

Once sewers become the responsibility of South West Water, the cost of repairing and maintaining these public sewers will be covered by the sewerage charges our customers pay in the future.

The diagram overleaf shows who will be responsible for what after the transfer. Visit our website to see a diagram of the current responsibilities. After the transfer you will still be responsible for drains on your land.

What are the benefits of the transfer?

The transfer will make responsibility for looking after drains much clearer and should mean better management of the sewerage system, resulting in better environmental control.

However, we estimate that South West Water will be responsible for 60% more sewers than we currently have. We will need to prioritise work after the transfer and it will take time to assess the state of the network – we won't be able to fix every problem on 1 October 2011.

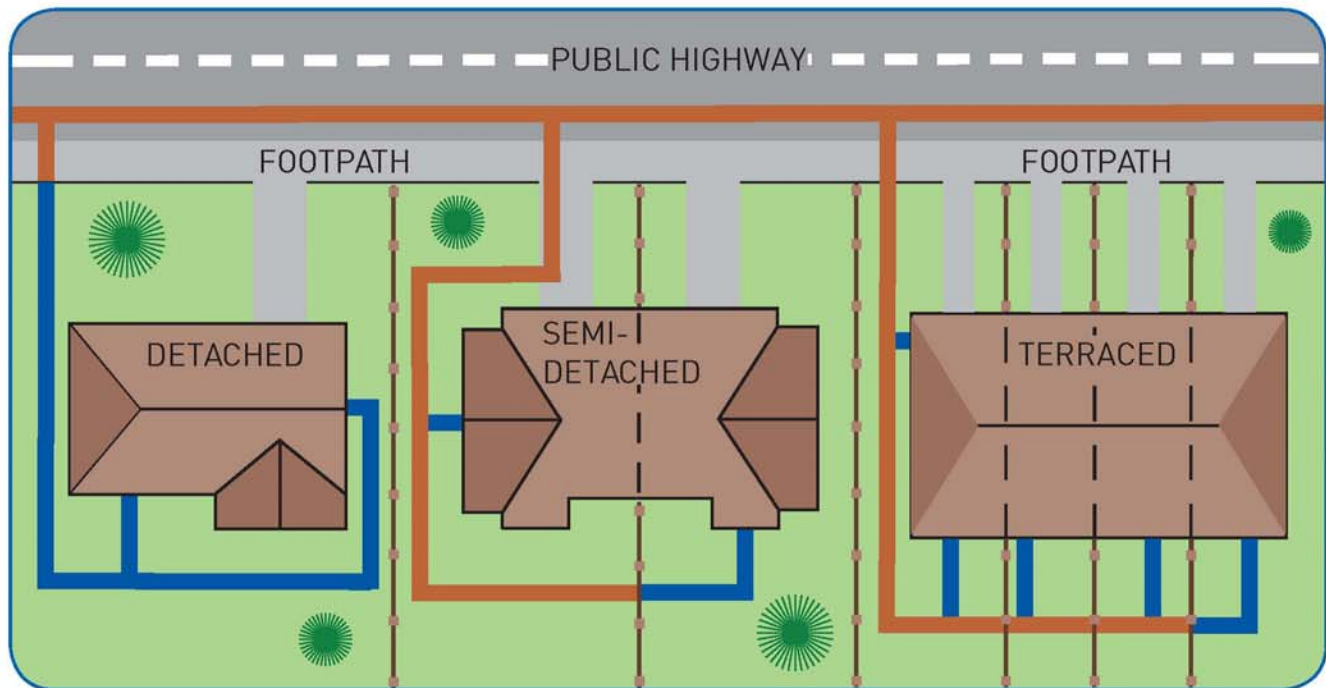
Will the transfer affect bills?

South West Water will become responsible for repairing and maintaining additional sewers and lateral drains. This will add to the costs we need to recover from customers in the future, so this will affect bills. It will not affect bills immediately. How much they may need to go up in the future will be decided together with the water industry regulator Ofwat.

What if I have insurance cover for my drainage?

Please contact your insurance provider if you would like to understand how the transfer affects your policy. Don't forget you will still be responsible for the drains that connect your property to our sewers.

After the transfer



Public sewer/lateral drains – Responsibility of South West Water

Private drain – Responsibility of property owner(s)

What do I need to do?

If you are **not** the owner of the property you live in, please pass this letter and enclosed legal notice to the property owner. Council and Housing Association tenants do not need to do anything.

The transfer will happen automatically – just keep this information for your reference.

This is good news for customers. You can appeal if you want to continue to have responsibility for your sewers and lateral drains. Please see the legal notice about the appeal process.

Private pumping stations are due to transfer to South West Water by 2016. If you own or manage a private pumping station, please visit our website for more information and to register your details.

Richard Gilpin
Head of Waste Water Services



If you have a problem with your drains before the transfer happens, contact your insurance provider, landlord or a private drainage contractor. Please note that until the transfer takes place on 1 October 2011, we are not able to carry out any work on your private drains.

If you are a tenant and would normally contact your landlord about repairs, please continue to do so after 1 October 2011.

Want to know more?

You can find out more about the transfer and how it might affect you by visiting our website – www.southwestwater.co.uk/privatesewers

You can also find helpful information at www.defra.gov.uk or www.cwater.org.uk

If you have any specific queries about the transfer please phone **0800 2300 755**. Phone lines will be open Monday to Friday between 9am and 7pm.



[DATE]

[NAME]
ADDRESS LINE 1
ADDRESS LINE 2
TOWN
COUNTY
POST CODE

In respect of:
ADDRESS LINE 1
ADDRESS LINE 2
TOWN
COUNTY
POST CODE

Dear [Name]

Changes to the ownership of private sewers

We are providing the enclosed information to explain a change to the ownership of some of the sewer pipes that serve your property. By law we must inform all homeowners of these changes.

Currently homeowners are responsible for the pipes that drain from their property into public sewers – this can include pipes that go beyond the property boundary – and are often unaware that they are responsible for these pipes until problems occur and they face a repair bill.

The Government has decided that some specific pipes, called private sewers and lateral drains, would be better looked after if they formed part of the public sewer network and has introduced new laws to transfer their ownership to local sewerage companies.

You do not have to do anything – the transfer of ownership will happen automatically on 1 October 2011. The enclosed leaflet and legal notice provides further information on which pipes are transferring, and which pipes remain the responsibility of homeowners. Our website at www.southernwater.co.uk/privatesewers has a comprehensive overview and a short film explaining the changes for each type of property.

I trust this letter explains our reasons for contacting you and that the enclosed leaflet will answer any questions you may have.

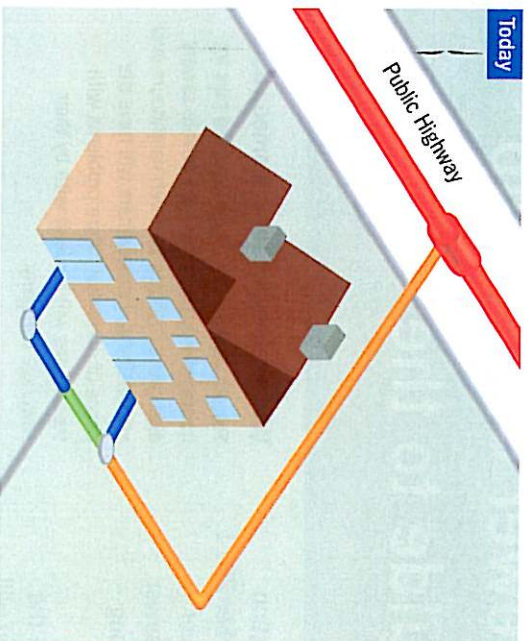
If you are not the homeowner of the above address, please can you forward this letter, legal notice and leaflet to the owner as soon as possible. However, if you are a housing association or council tenant, we have contacted the association or council that owns your property so you do not need to forward this information to them.

Yours sincerely

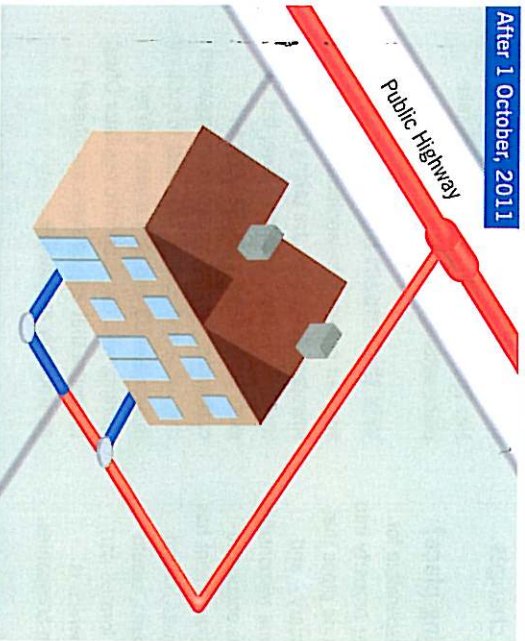
Kim Salmon
Director of Customer Services and Revenue

To find out more, see our film explaining the changes or send us an email, visit www.southernwater.co.uk/privatesewers or call 0845 270 0360

How will responsibilities change?



Today



After 1 October, 2011

Key

Private sewer: carries water away from more than one property to meet the public sewer.

Lateral drain: carries water from a single property, outside the boundary of that property, until it meets a shared sewer – either a private sewer or the public sewer.

Private drain: the first set of pipes taking water away from your property. These then connect to other pipes – private sewers, lateral drains or the public sewer. **Private drains remain the homeowner's responsibility.**

Public sewer: takes water away for treatment through the sewer network. Owned and maintained by sewerage companies.

There are some differences in how things will change depending on the age and type of property you own, for example if you own a flat or apartment.

For detailed explanations, visit

www.southernwater.co.uk/privatesewers

Is this change happening elsewhere?

Yes. All sewerage companies in England and Wales are taking over ownership of private sewers and lateral drains on 1 October, and are informing customers about the changes at the same time. Sewerage companies have been working with the Government and industry body Water UK to ensure the changes are implemented smoothly, and on time.

Is it fair that all Southern Water customers should have to pay for this via their bills?

Currently all our customers are paying towards the upkeep of the public sewers but some also have private sewers to maintain. After 1 October the cost of sewer maintenance will be spread more fairly and customers will have the peace of mind that they will not have to pay for problems with private sewers and lateral drains.

Can I appeal against this decision?

These changes will benefit homeowners and it is not expected that they will wish to appeal, but there is a legal right to do so. Details of how to appeal are in the enclosed legal notice and on our website.

What about private pumping stations?

Private pumping stations will not be transferred immediately but will transfer by October 2016. This will give sewerage companies time to find and survey all these stations, and to work out what works are required to enable them to be adopted.

More details, including how to contact us if you are connected to a private pumping station, are available via our website www.southernwater.co.uk/privatesewers

Are there any pipes that will not be transferred?

Pipes serving one property, inside the property boundary, will remain the responsibility of the homeowner as private drains. Privately-owned septic tanks and cesspits and their connecting pipework, large multi-occupier commercial sites, and sewers that carry water directly to a watercourse will not transfer.

How will Southern Water decide which sewers get repaired after 1 October?

Southern Water will be taking over ownership of an estimated 17,500km of pipes on 1 October and carrying out maintenance will therefore be a very significant task. We will need to assess the scale of repairs required, and not every sewer can be repaired immediately. In the event that a repair is required, customers will be given clear guidance on the timescales for action and be kept informed as planning and work progresses. Priority will be given to repairs where the problem is causing flooding, or frequent blockage.

What happens if Southern Water needs to carry out work on a public sewer in my garden?

We will only carry out repairs or maintenance where it is necessary to address a current

To find out more, or contact us, visit

www.southernwater.co.uk/privatesewers

LEGAL NOTICE
THAMES WATER UTILITIES LIMITED
Notice of proposal to adopt private sewers and lateral drains

To: The owner(s) of private sewers and lateral drains

Thames Water Utilities Limited (a company registered in England and Wales under number 023 66661, with its registered office at Clearwater Court, Vastern Road, Reading, RG1 8DB) ("Thames Water") gives notice under Sections 102 and 105A of the Water Industry Act 1991 ("the Act") that in accordance with a scheme or schemes made by the Secretary of State under the Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011 ("the Transfer Regulations"):

1) on 1 October 2011:

a. any private sewer (excluding pumping stations and highway drains or sewers) situated within Thames Water's sewerage area and which, immediately before 1 July 2011, communicates with a public sewer; and

b. any private lateral drain (excluding pumping stations) which, immediately before 1 July 2011, communicates with a public sewer vested in Thames Water; and

2) on 1 October 2016, any pumping station which forms part of such a sewer or lateral drain and has not been transferred to Thames Water before that date;

will transfer to Thames Water and become a public sewer or public lateral drain belonging to Thames Water unless that private sewer or private lateral drain is subject to an outstanding appeal under Section 105B of the Act.

This notice does not apply to private sewers or private lateral drains which:

1. are owned by a railway undertaker; or
2. are situated on or under Crown land and Thames Water has received notice in writing before 1 July 2011 from the appropriate authority that the private sewer or private lateral drain should be exempt.

Any owner of a private sewer, private lateral drain or pumping station or any other person affected by the proposal to adopt a private sewer, private lateral drain or pumping station, or the failure to do so, may appeal to the Water Services Regulation Authority (Ofwat) within two months of service or publication of this notice, whichever is the later. The grounds on which you can appeal are set out in Section 105B(3) of the Act. Ofwat can be contacted at Centre City Tower, 7 Hill Street, Birmingham, B5 4UA or by email to: appealtransfer@ofwat.gsi.gov.uk

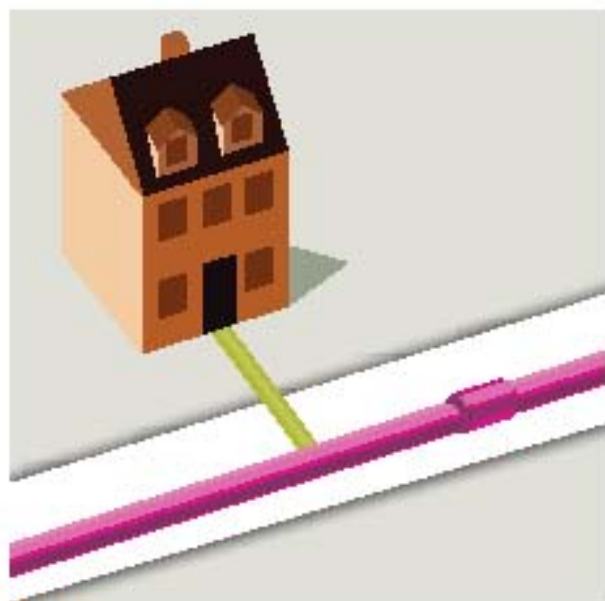
Any terms used in the Transfer Regulations have the same meaning when used in this notice.



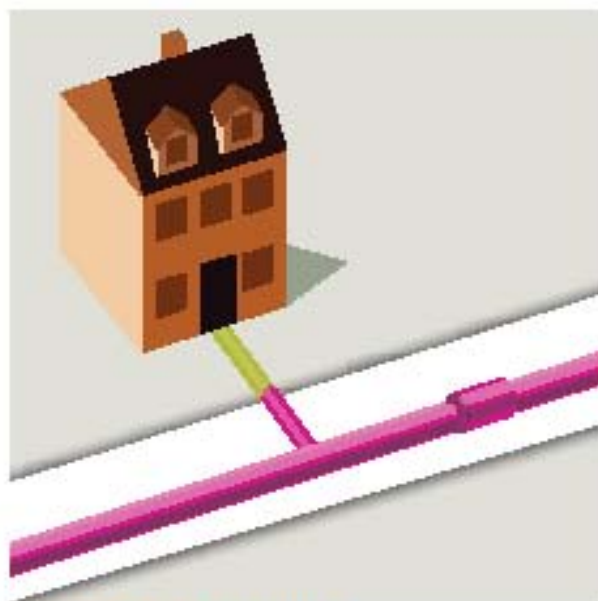
Martin Baggs, Chief Executive Officer

How will the changes affect you?

Detached



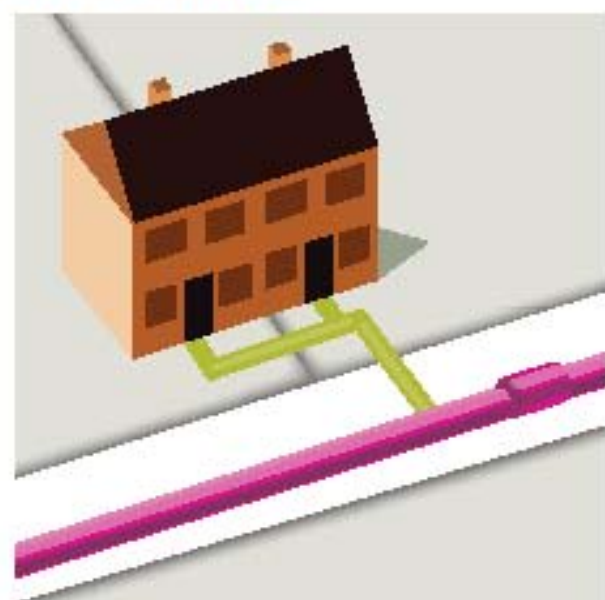
Today



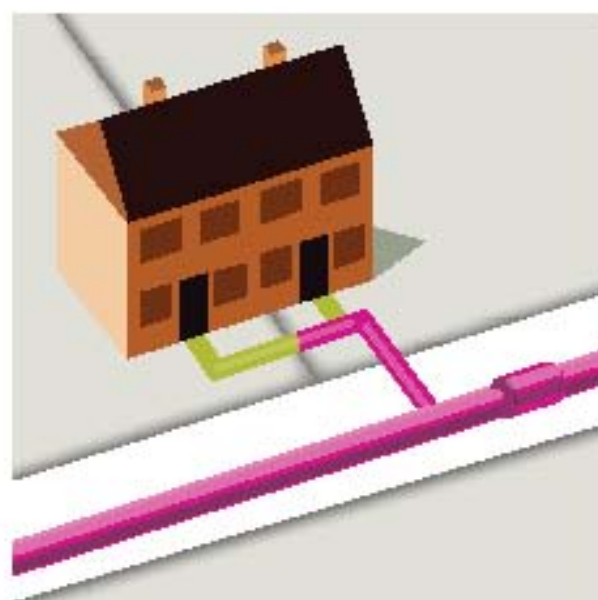
After 1 October 2011

- Public sewer/drain - responsibility of the water and sewerage company
- Privately owned - responsibility of property owner
- Property boundary

Semi-detached



Today



After 1 October 2011

- Public sewer/drain - responsibility of the water and sewerage company
- Privately owned - responsibility of property owner
- Property boundary



United Utilities Water PLC

Telephone 0845 026 5151

unitedutilities.com/privatesewers

Owner/Occupier
<Address Line One>
<Address Line Two>
<City>
<County>
<Post code>

July 2011
Account number:
<0000000000>

Dear Customer

IMPORTANT INFORMATION

You do not need to contact us or take any action.

The law on private sewer ownership is changing – 1st October 2011

The Government has decided that water and sewerage companies in England and Wales will take responsibility for the maintenance and repair of some sewer pipes which are currently privately owned.

This change will take place from October 1st 2011. The new law requires us to give you legal notice for the proposed change in ownership as we provide sewerage services to your property. The notice included is written in rather formal language, so we hope this letter makes it clearer.

The current situation

At the moment, you have responsibility for the pipes which connect your property to the main public sewer system. These pipes may pass beneath your garden or driveway, and may run beyond your property boundary into nearby roads and pavements. Some of these connecting pipes are shared by several properties.

Customers are often unaware that they, not their water company, have responsibility for these pipes.

How this will change

The new law means that, after October 1st, you will be responsible only for the drainage pipe which serves your own property. Sewer pipes which are shared by more than one property, or run beyond your property boundary, will become United Utilities' responsibility.

Currently, if a private sewer pipe gets damaged or blocked, you might have to pay for repairs, even if the pipe is not within your property boundary. Similarly, if you share a sewer pipe with your neighbour, you could end up paying for a costly repair for an issue that isn't your fault. The new rules will prevent these kinds of problems from occurring in the future.

You don't need to contact us or do anything

You don't need to do anything as a result of these changes. After October 1st if you suspect you have a blockage and you think it could be on shared drains, or outside your property please call us and we will be happy to help. If you're a tenant and would normally contact your landlord about repairs, please continue to do so after October 1st.

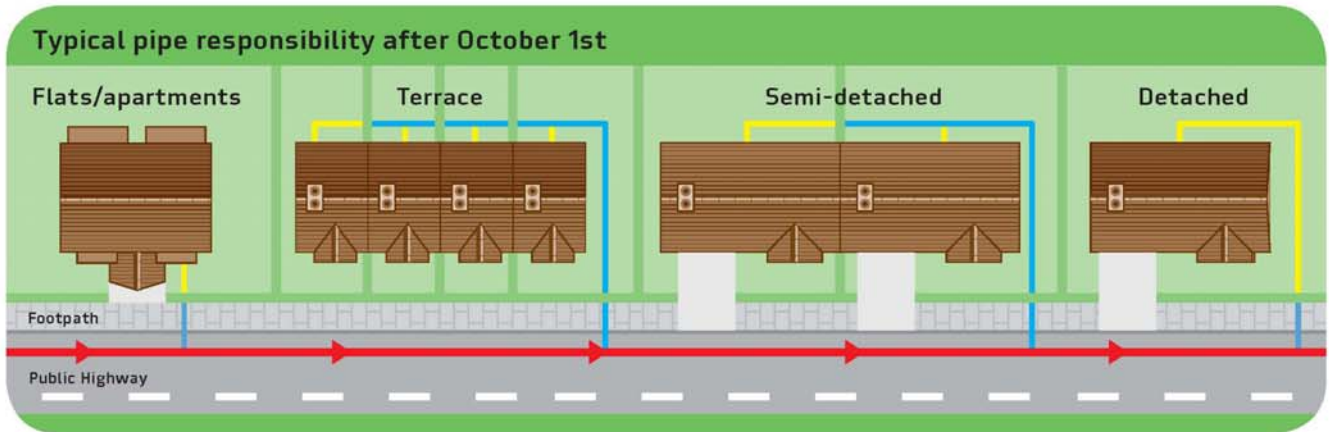
Continued overleaf....

You can also find helpful information at
www.defra.gov.uk or www.ccwater.org.uk



United Utilities Water PLC. Registered in England & Wales No. 2366678. Registered Office: Haweswater House, Lingley Mere Business Park, Lingley Green Avenue, Great Sankey, Warrington, WA5 3LP

What will transfer?



KEY

- Private drain** (responsibility of home owner)
- Transferred to United Utilities after October 1st**
- Public sewer** (responsibility of United Utilities)

Illustration provided for guidance only.

Will my bill go up?

The Government estimates that bill increases for customers across the UK will range between 25p and £1.17 per month, to cover the extra costs that water companies will incur when they take over the private sewers. Unfortunately, we can't yet provide an exact figure as we're still working with Ofwat, the Government's water regulator. We do not expect you to see any increase in bills as a result of this transfer until at least 2014.

Should I change my pipe insurance?

If you currently have insurance for your wastewater pipes you will need to contact your provider to understand the impact these changes will have on your policy.

Where can I find out more information?

If you want to know more please visit unitedutilities.com/privatesewers where you'll find more information and answers to frequently asked questions.

Colin Maloney

Colin Maloney

Director of Network Operations

PS: Did you know 80% of blocked drains are caused by things like baby wipes being flushed down the toilet. Find out how to keep your drains clear on our website.

If you're not the owner of the property, please pass this letter and the enclosed legal notice to the property owner. Commercial customers may receive more than one notification due to you having multiple accounts with us. Thank you.

What will happen for new properties after 1 October 2011?

A new national building standard is being agreed for all new sewers to ensure they meet satisfactory standards when constructed.

Will you fix the current problems I have with pipes which will transfer to you?

Yes, but we will initially gather information about where the problem areas are so that investment can be prioritised to where it is most needed.

Are private pumping stations affected by this change in legislation?

It is proposed that private sewage pumping stations that serve more than one property and pump to the public sewerage system, will transfer ownership to Wessex Water between October 2011 and October 2016.

Please let us know if you are jointly responsible for one of these by calling **0845 600 4 600** or emailing details to private.sps@wessexwater.co.uk

Please include a grid reference or address and description as well as any other additional information about who currently maintains it and how old it is.

Private sewers and lateral drains upstream of these private pumping stations will transfer ownership on 1 October 2011.

What happens if I don't want the responsibility for these assets to transfer to Wessex Water?

If you are able to demonstrate that the transfer of these pipes or pumping stations would be seriously detrimental to your interests you may make an appeal by contacting the Water Services Regulation Authority (Ofwat) at Centre City Tower, 7 Hill Street, Birmingham B5 4UA or email appealstransfer@ofwat.gsi.gov.uk

Appeals will only be considered by Ofwat if made within two months from the date you received the notice from us. Appeal forms will be available on Ofwat's website www.ofwat.gov.uk

Further information

For more information about this change visit www.wessexwater.co.uk/privatesewers where you can view a video. Alternatively call us on 0845 600 4 600 (Monday to Friday, 8am to 6pm).

Avoiding drain pain

You can help prevent drains and sewers from being blocked by not pouring fat, oil or grease down the sink. Instead let it cool and pour it into a container before putting it in the bin.

Hundreds of people cause blockages in sewers or damage to the environment by putting rubbish down the toilet.

To avoid blocked pipes, plumbing bills and damage to the environment, put the following in your bin:

- contraceptives
- disposable nappies
- wet wipes
- plasters
- incontinence pads
- female hygiene products
- colostomy bags and bandages
- cotton buds.

Wrap razor blades carefully in paper and put them in the bin and return medicines to your local pharmacy. Syringes and needles should be returned to a healthcare provider.



Wessex Water Claverdon Down Bath BA2 7WW

Your guide to changes in sewer ownership



www.wessexwater.co.uk

Introduction

From 1 October 2011 Wessex Water will become responsible for the ownership and maintenance of thousands of kilometres of private sewers following changes made by the government.

This is good news for customers who are currently responsible for private sewers and lateral drains that connect to the public sewer network. Many of these pipes are in poor condition and cause problems which are expensive to resolve and, in the case of sewers owned by groups and individuals, complicated to resolve. Responsibilities and ownership will be much clearer and customers can expect an excellent standard of service if a problem occurs.

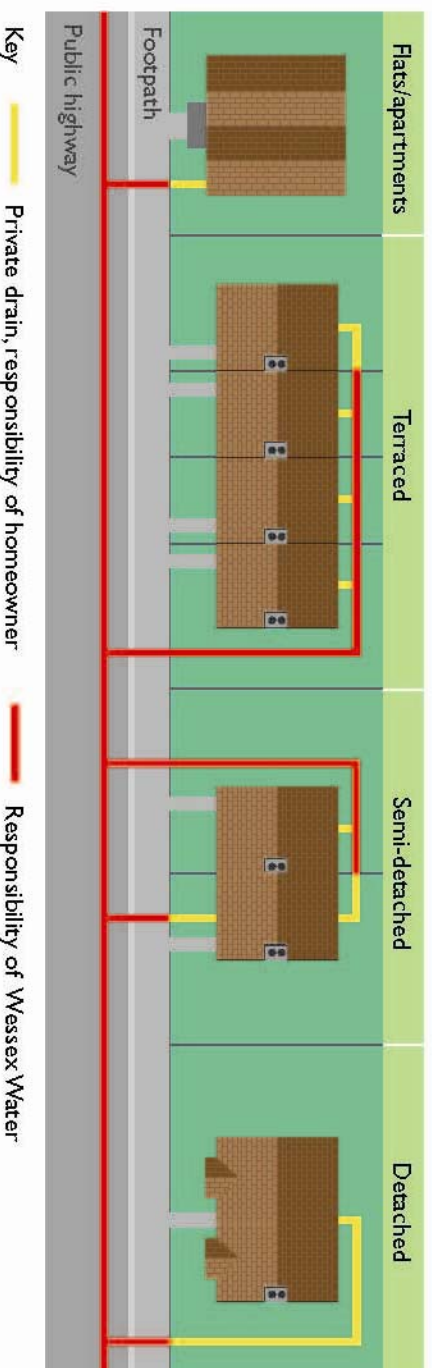
Why is it happening?

The government believes that transferring responsibility will provide the fairest, simplest and most efficient way to tackle the private sewer and lateral drain problems faced by householders. The overall drainage system will be better integrated, managed and maintained and investment can be targeted where it is most needed.

What do I need to do?

Nothing. If you experience a problem, such as a blockage with your private sewer or lateral drain, then from 1 October 2011 Wessex Water will be the company to call.

Typical responsibilities for wastewater pipes after 1 October 2011



What exactly is going to transfer?

The changes will mean that we will be responsible for the majority of private sewers (even on private land) and for all lateral drains.

Drain – a wastewater pipe that serves just one property.

Lateral drain – the part of the drain that is outside the property boundary.

Sewer – a wastewater pipe that serves more than one property. Sewers can either be **public** – owned and maintained by Wessex Water or **private** – owned and maintained by groups of individuals or organisations.

The diagram below shows typical future responsibilities.

What will not transfer?

Homeowners will still be responsible for the length of drain that takes wastewater away from their property up to its boundary or to where it becomes a public sewer.

Additionally, we will not become responsible for pipes connected to private treatment systems such as septic tanks, soakaways and private treatment works or other systems which do not connect to the public sewer, such as surface water pipes which discharge directly to a watercourse.

Drainage systems that are within the boundaries of a single, centrally managed site, for example, a shopping centre, block of flats, hospital, caravan park or industrial estate, will also not transfer.

Will the transfer include other pipes inside or outside my building?

No. The legislation will not apply to pipes on the exterior of properties such as downpipes, gutters, soil vent pipes, soakaways or those under buildings that form part of the building's drainage.

What do I do if I have a blockage on internal wastewater pipework?

You will need to contact a local plumber or drain clearance company.

What happens if Wessex Water needs to carry out work on a sewer in my garden?

If we need to carry out either planned or emergency work to the sewer in your garden to prevent flooding or pollution, we will always try and agree access with you beforehand and reinstate your garden as close as possible to its original condition.

Will there be a reduction in my buildings insurance premium?

Private sewers and lateral drains are often covered by domestic buildings insurance. With this change of ownership, we would expect insurers to review the premiums they charge homeowners. However, this will be a decision for insurance companies to make.

Will I see a change in my sewerage bill?

Wessex Water will become responsible for operating and maintaining approximately double the length of sewers we currently maintain. We will work hard to meet the additional cost through efficiency savings elsewhere within the business, but there may be a small impact on bills in the longer term.



Owner/Occupier

1 Sample Street
Sample
Sample City
Sample County
AB1 234

Yorkshire Water
PO Box 52
Bradford
BD3 7YD
Telephone: 0844 848 7190

Our Ref: 0123 456 789

For more information visit:
yorkshirewater.com/sewertransfer

July 2011

Re changes to sewer responsibility at:
1 Sample Street, Sample, Sample City

THIS IS A LEGAL NOTICE BUT YOU DON'T HAVE TO DO ANYTHING.

Dear customer,

The law on sewer ownership is changing

The Government has decided that all water and sewerage companies will take over the ownership and maintenance of some of the current private drainage systems, as described below, on October 1st 2011.

What's the current situation?

At the moment, Yorkshire Water is only responsible for public sewers. Private householders and businesses are responsible for their own private pipes, and are often unaware that these can extend beyond the boundary of their property and under pavements and roads. If you share a drain with your neighbour, you could even end up paying for a costly repair that isn't your fault but is your responsibility. There are some diagrams on the other side of this letter to act as a guide to help you understand how the new arrangement will work.

Why is the Government making this change?

The Government wants to simplify responsibility and make this situation fairer. So, after October 1st 2011, Yorkshire Water will be taking responsibility for those pipes that are transferred as a result of the Government's changes. You'll then only be responsible for individual drains serving your property alone or up to the point that they cross your property boundary.

Why are we writing to you?

Before the change can happen we're legally obliged to write to you about it. We've enclosed a copy of the legal notice with this letter.

What do you need to do?

You don't need to do anything as a result of these changes. Simply file this letter for future reference. Up until the transfer, if you suspect you have a blockage on your private sewer or lateral drain please get in touch with your landlord or a private drainage contractor.

Please note that until October 1st we're not able to carry out any work on customers' private pipes.

If you're a tenant and would normally contact your landlord about repairs, please continue to do so after October 1st.

Continued overleaf...

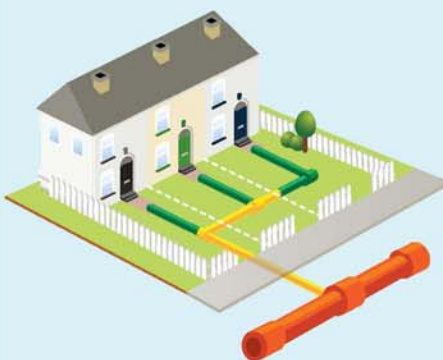


Typical pipe responsibility after October 1st




Flats



Terraced



Key

-  Remains the responsibility of Yorkshire Water
-  Transferred to Yorkshire Water on October 1st 2011
-  Remains the responsibility of the homeowner.

Semi-detached



Detached



Will your bill go up?

We can't yet provide an exact figure but any bill increases brought about by this Government initiative will be agreed in the first instance with our independent regulator, Ofwat. This will be reflected in customer bills over the next few years. We'll seek to keep any increase as low as possible however the Government has estimated that the transfer may increase average domestic bills by between £3 and £14 per year across the country.

What if you have insurance cover for your drainage?

If you'd like to understand the impact these changes will have on your policy, please contact your insurance provider.

Want to know more?

If you'd like to find out more about these changes please visit yorkshirewater.com/sewertransfer.

If you're not the owner of the property that you live in, please pass this letter and the enclosed legal notice to the property owner. Council and housing association tenants don't need to do anything.



Zoe Mason
Head of Customer Service

MVA Consultancy provides advice on transport, to central, regional and local government, agencies, developers, operators and financiers.
A diverse group of results-oriented people, we are part of a strong team of professionals worldwide. Through client business planning, customer research and strategy development we create solutions that work for real people in the real world.

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Birmingham B2 5TJ United Kingdom
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Custom House Docks, IFSC, Dublin 1, Ireland
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T: +33 (0)4 72 10 29 29 F: +33 (0)4 72 10 29 28

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Manchester M1 4BT United Kingdom
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T: +33 (0)4 91 37 35 15 F: +33 (0)4 91 91 90 14

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