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Customers' views on Ofwat's draft determinations for prices and services 2015-20

Consumer Council for Water

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1. Executive summary

1.0.1 Every five years Ofwat sets price limits that enable water and sewerage companies in England and Wales to finance the delivery of services to customers. In December 2014, Ofwat will announce price limits for each of the five years from 2015-16 to 2019-2020 that will feed into customers' bills from April 2015.

1.0.2 The Consumer Council for Water represents the interests of household and non-household customers, and believes that understanding customers' views about proposed price and investment plans is an essential part of the price review process.

1.0.3 Consumers must be at the heart of each five yearly price setting process where regulatory decisions determine the bills which customers pay and the services they receive for the next five years. These decisions must be based on clear evidence of customer views and service priorities. Accordingly, throughout the price review process water companies have carried out extensive research to gauge customers' expectations and priorities, and to find out how acceptable their business plan proposals are to their customers.[1]

1.0.4 In late August 2014 Ofwat published draft price determinations for 18 water companies (including revised draft determinations for the four companies fast-tracked earlier in the year). CCWater commissioned an industry-wide survey using a consistent methodology and questionnaire for each company to understand likely customer reaction and to allow for comparisons to be made between customers' views in different parts of England and Wales, and to enable any outliers for acceptability identified.

1.0.5 Because of methodological, timing, and price and service differences, comparisons with the companies' business plan acceptability testing were not part of this research.

1.0.6 A total of 10,967 interviews were conducted with household customers in England and Wales in order to establish the level of acceptability among customers for each draft determination.

1.0.7 The interviews were conducted online and face-to-face. Five hundred interviews were conducted with customers of each water company[2]. The final data was weighted so

[1] CCWater developed some over-arching principles which acted as guidance for companies conducting their acceptability research, and in nearly all cases, the guidance was followed. However the guidance was high level and allowed for each company to develop their own survey and choose how to engage with its customers (online, face-to-face, telephone or a mixture).

[2] There are two water companies where fewer than 500 interviews were achieved (Dee Valley Water (490) and Sutton & East Surrey (477))

that the sample size for each water company is in the correct proportion for the size of its household customer base in England and Wales. This weighted data was used to analyse total, England and Wales differences and all sub groups (age, SEC, household income, metered/unmetered, vulnerable respondents).

1.0.8 Unweighted data was analysed for differences between water companies, and this data was representative of each individual water company.

1.0.9 The questionnaire built on CCWater and industry experience of conducting acceptability research, and was peer reviewed to ensure the outputs would be robust.

1.0.10 This Executive Summary presents the key findings of the research.

1.1 Key Findings

1.1.1 Uninformed acceptability (1)

- An initial 'uninformed' question was asked where the customer is asked to consider acceptability in response to a short statement (without bill figures) about what will happen to bills from 2015 to 2020, e.g. the change before the effect of inflation is added.
- Uninformed acceptability 1 recognises that some customers do not know what they pay and therefore presents the bill change in relation to inflation i.e. without the monetary impact[3].
- 74% of all customers in England and Wales found the proposals acceptable**.** Acceptability was highest amongst customers of Anglian, Wessex, Affinity Central, Bristol, Portsmouth and Bournemouth; unacceptability was highest for customers of Northumbrian and South West.

1.1.2 Uninformed acceptability (2)

- A second 'uninformed' question was asked where the customer is given figures to show that the average household bill will change from the current £x to the £y in 2019-2020, taking into account Ofwat's forecast of inflation.
- This question was asked for combined proposals where customers receive one bill for water and sewerage services, while those who receive separate bills for water and for sewerage were asked about the proposal for each separately.[4]

[3] CCWater's experience over several years of research with bill payers is that a fair proportion of satisfied customers do not know how much they pay

[4] Combined bill – where customers receive just one bill which covers both their water charge and their sewerage services charge

- When proposals are presented as a monetary change and after the effect of the inflation being added, acceptability dips, especially amongst the customers of WaSCs.[5]
- Uninformed acceptability (2) for the water proposals is **60%.**
- Uninformed acceptability (2) for the sewerage proposals is **56%.**
- Uninformed acceptability (2) for the combined proposals is **55%.**

1.1.3 Levels of acceptability are highest amongst customers of Anglian and the following WoCs[6] - Affinity, Bournemouth, Bristol, Cambridge, Dee Valley, and South East/Thames.

1.1.4 Levels of unacceptability are highest amongst customers of a number of WaSCs – Northumbrian, Southern, South West, Thames and Welsh, plus South East/Southern.

1.1.5 Informed acceptability

- An 'informed' question was asked where the customer considered the acceptability of the draft determination after receiving year on year figures for average bills across the five years (including inflation) and a showcard with information on the key services to be delivered (maintained or improved).
- All customers were asked how acceptable they found the separate water and sewerage proposals, and customers who receive combined bills were also asked for their acceptability of combined proposals.
- Informed acceptability for the water proposals is **67%.**
- Informed acceptability for the sewerage proposals is **64%.**
- Informed acceptability for the combined proposals is **59%.**

1.1.6 Most customers are aware that inflation is a normal part of household bills, even if they are initially unsure about the exact level of inflation, and thus their response to the first uninformed question was generally positive. The effect of inflation on bills was vividly brought to life by the second uninformed question with a consequent drop in acceptability, However, once given a more rounded picture of the services to be maintained or improved, when set against the increase in bills, respondents tended to become more positive though not necessarily to the same extent as previously.

Separate bill – where customers receive one bill for their water charge and a separate bill for their sewerage services

[5] WaSC - Water and Sewerage company

[6] WoC – Water only Company, which does not provide sewerage services

1.1.7 Views on inflation and cost of living

Customers were asked about their general views on inflation and how they are being affected by changes in the cost of living. The findings of customer acceptability can be considered in this context. Customers are feeling financially squeezed and a significant majority feel their incomes are not keeping up with the cost of living.

1.1.8 Most customers accept that their household bills include inflation (64%) and most accept that prices will increase with inflation (79%).

1.1.9 However, just under half (47%) state that they think about the effect of inflation on their bills and most feel that it is hard to predict how much inflation will be (73%).

1.1.10 Customers are feeling financially squeezed; most feel that their incomes are not keeping up with the cost of living (68%) and changes in the cost of living are a concern (66%). Furthermore, just over half (53%) feel that their water bill is already too high.

1.1.11 Those feeling the economic squeeze most are the middle aged/older customers and, not surprisingly, those with the lowest household incomes (less than £20,000 per year).

1.1.12 Affordability

- Just under two thirds of customers find the proposals affordable (66%)[7].

[7] Almost half of our sample (45%) were asked about the affordability of the proposals: 1) WoC respondents who found the combined proposals unaffordable; and 2) all respondents who receive separate bills. Amongst those who had not accepted the combined proposal there were low levels of affordability from which we can conclude that affordability is closely linked to unacceptability. The remaining (55%) were not asked. These respondents were customers receiving combined water and sewerage bills who had found the proposal acceptable. The assumption was made that because these customers had accepted the proposal, they must, by default, have also found it affordable. If we take this 55% and add it to the proportion of customers who were asked about affordability and who found the proposal affordable, we get a total affordability figure of 66% so can conclude that just under two thirds of customers find the proposals affordable.

2. Introduction

2.0.1 The Consumer Council for Water (CCWater) was set up in 2005 to represent the interests of business and household water and sewerage consumers in England and Wales. Within the price review process, CCWater is working to ensure that each company's business plan produces high levels of customer acceptance and willingness to pay, and is informed by robust customer research and engagement.

2.0.2 Establishing the reactions of consumers to the proposed price plans is essential for CCWater in meeting its business objectives, to ensure it continues to provide a voice for the consumer across England and Wales.

2.0.3 Every five years, Ofwat (the economic regulator for the water and sewerage industry) sets price limits that enable water and sewerage companies to finance the delivery of services to customers, in line with relevant standards and requirements. In December 2014, Ofwat will announce price limits for water and sewerage companies in England and Wales for the five year period from 2015 to 2020. These prices will then be applied to customers' bills from April 2015.

2.0.4 The current review of prices, the Periodic Review 2014 (PR14), provides Ofwat with the information they need in order to set the price limits for each company. The Periodic Review requires companies to submit five year business plans setting out how they will meet environmental and drinking water quality standards and deliver high quality customer service. Companies also have to demonstrate that they plan to deliver investment in the areas that customers value, and at a price they find acceptable.

2.0.5 In December 2013, each company submitted its final business plan to Ofwat. Ofwat announced its draft determination (DD) responses to the business plans in April, May and August this year.

2.1 Research aims

Overall the main objective of this piece of research was to find out what customers in England and Wales, the nations of England and Wales, and of each water company in England and Wales, think about Ofwat's draft determinations.

2.1.1 Objectives in detail:

- Find out how acceptable the DD proposals are, both without and with inflation, and why;
- Establish the role of affordability in unacceptability;
- Find out how people perceive their household will keep up with the cost of living over the next five years.

2.2 Approach[8]

2.2.1 A quantitative approach was adopted, with the majority of interviews conducted via an online survey.

2.2.2 Additional interviews were conducted face to face. This was for two reasons:

- In order to capture the 'offline' population, i.e. those people who rarely or never use the internet;
- To reach the target sample of 500 per company where the online survey sample was less than required.

2.3 Fieldwork

2.3.1 Ten face-to-face pilot interviews were conducted in the South West Water region prior to the main fieldwork, with the interviewer obtaining feedback from each respondent after the interview. Following the pilots the interviewer debriefed the research team and the questionnaires were reviewed. There were no issues with the questionnaire content, which was understood by the respondents. However, some of the instructions for the interviewer were revised to improve clarity for the interviewer and respondent.

2.3.2 The study was conducted via an online survey and face to face interviews.

2.3.3 The online fieldwork took place between 9th September 2014 and 15th October 2014.

2.3.4 Face to face interviews were conducted between 8th September 2014 and 15th October 2014.

[8] The approach used by CCWater is not comparable with industry approaches to measuring the customer acceptability of 2015-20 business plans, nor was it intended to be as there are too many variables involved to be able to make meaningful comparisons between the results of company and CCWater research. CCWater used a different questionnaire to any used by the industry (informed by industry and our own experience of acceptability testing and independently peer reviewed), the timing was different (a good several months after company research in many cases) and whilst the companies tested the acceptability of their business plan proposals, CCWater was testing the acceptability of Ofwat's Draft Determinations which are a refinement of the business plan proposals i.e. CCWater's research tested different figures.

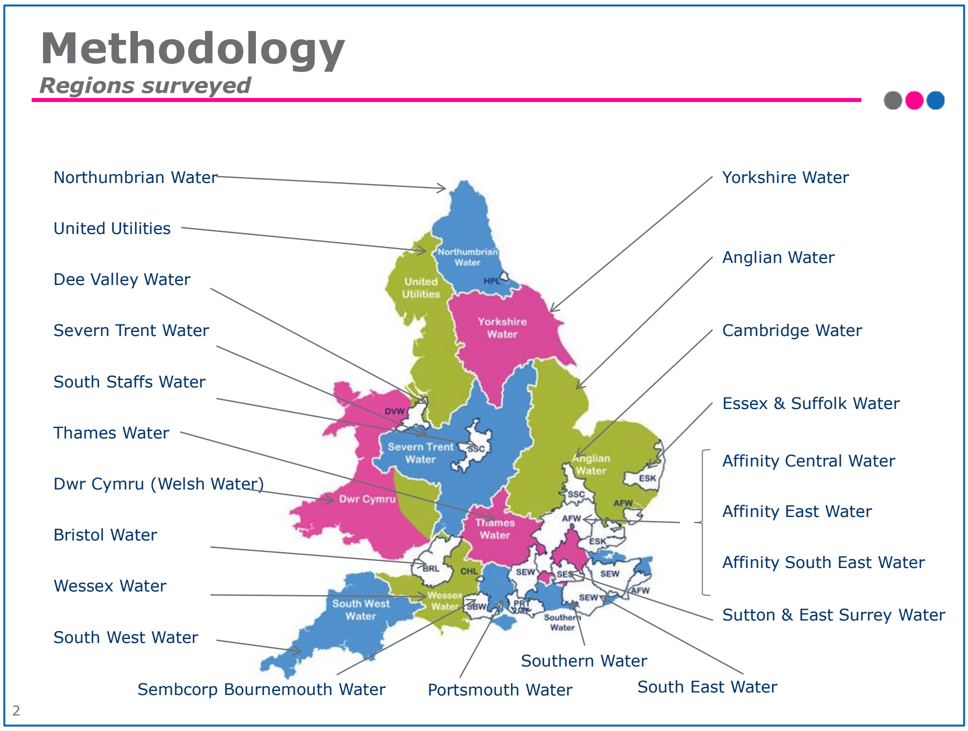
2.3.5 A total of 10,967 interviews were completed across England and Wales, comprising 500 interviews in 20 of the water company areas included in the research, 490 interviews in Dee Valley, and 477 interviews in Sutton and East Surrey.

2.3.6 Online interviews accounted for 76% of the total sample (8,361 interviews).

2.3.7 Face to face 'online' interviews accounted for 19% of the sample (2,120 interviews).

2.3.8 Face to face 'offline' interviews accounted for 4% of the sample (486 interviews).

Figure 1: Water companies surveyed[9]



[9] Hartlepool Water (part of the Anglian Water group of companies) was not included in the survey because specific price and service proposals for Hartlepool Water were not available at the time of the research.

2.4 Sample

2.4.1 The online sample was sourced from several panel companies. The face-to-face interviews were conducted within the relevant region on-street and by going door to door to find qualifying respondents.

2.4.2 The sample was structured according to the Office of National Statistics (ONS) Census Data, 2011. Quotas were set on gender, age and socio economic classification (SEC) within each region that the water company was situated.

2.4.3 SEC classifications used are:

1 - Higher managerial, administrative and professional occupations; lower managerial, administrative and professional occupations;

2 - Intermediate occupations; small employers and own account workers;

3 - Lower supervisory and technical occupations; semi-routine occupations; routine occupations;

4 - Never worked and long-term unemployed;

5 – Full-time students.

2.4.4 Water company quotas were set to particular census regions, as shown in the table below:

Table 1: Water company census regions

East of England	North East	Wales	West & East Midlands	London	North West	South East	South West	Yorkshire & Humber
• Affinity East	• Northumbrian	• Dee Valley	• Severn Trent	• Affinity Central	• United Utilities	• Affinity South East	• South West Water	• Yorkshire Water
• Anglian		• Welsh Water	• South Staffs	• Thames Water		• South East Water	• Bristol Water	
• Cambridge						• Southern Water	• Wessex	
• Essex and Suffolk						• Portsmouth	• Sembcorp Bournemouth Water	
						• Sutton and Surrey		

2.4.5 Quotas were set per water region, as shown in the table below:

Table 2: Quotas set on gender, age and SEC for WaSCs

	Anglian Water %	Dwr Cymru (Welsh Water) %	Northumbrian Water %	Severn Trent Water %	South West Water %	Southern Water %	Thames Water %	United Utilities %	Wessex Water %	Yorkshire Water %
Gender										
Male	49	49	49	49	49	49	49	49	49	49
Female	51	51	51	51	51	51	51	51	51	51
Age										
18-29 yrs	19	20	20	20	18	19	26	21	18	21
30-44 yrs	26	24	24	25	24	26	33	25	24	25
45-59 yrs	25	25	26	25	25	25	22	25	25	25
60-74 yrs	20	21	20	20	21	19	13	19	21	19
75+ yrs	11	11	10	10	12	11	7	10	12	10
SEC										
1	33	27	26	28	32	36	36	28	32	27
2	24	21	20	21	24	24	21	22	24	21
3	32	37	39	36	33	28	23	35	33	36
4	12	15	16	15	11	12	20	15	11	16

Table 3: Quotas set on gender, age and SEC for WoCs

	Affinity Central	Affinity East	Affinity South East	Bristol Water	Cambridge Water	Dee Valley Water	Essex & Suffolk Water	Portsmouth Water	Sembcorp Bournemouth Water	South East Water	South Staffordshire Water	Sutton & East Surrey Water
	%	%	%	%	%	%	%	%	%	%	%	%
Gender												
Male	49	49	49	49	49	49	49	49	49	49	49	49
Female	51	51	51	51	51	51	51	51	51	51	51	51
Age												
18-29 yrs	26	19	19	18	19	19	19	19	18	19	20	19
30-44 yrs	33	26	26	24	26	24	26	26	24	26	25	26
45-59 yrs	22	25	25	25	25	25	25	25	25	25	25	25
60-74 yrs	13	20	19	21	20	21	20	19	21	19	20	19
75+ yrs	7	11	11	12	11	11	11	11	12	11	10	11
SEC												
1	36	33	36	32	33	27	33	36	32	36	28	36
2	22	24	24	24	24	21	24	24	24	24	21	24
3	23	32	28	33	32	37	32	28	33	28	36	28
4	20	12	12	11	12	15	12	12	11	12	15	12

2.4.6 In order to complete the fieldwork within the required time period some of the quotas had to be relaxed. The decision not to reweight the data was taken as the profiles were close enough to the target.

2.4.7 Respondents were screened to ensure they were the person responsible for paying the water bill within their household; respondents with septic tanks were screened out because they do not pay for sewerage services.

2.4.8 The sample achieved is shown in the tables below:

Table 4: Sample achieved by WaSC

	Anglian Water	Dwr Cymru (Welsh Water)	Northumbrian Water	Severn Trent Water	South West Water	Southern Water	Thames Water	United Utilities	Wessex Water	Yorkshire Water
	%	%	%	%	%	%	%	%	%	%
Gender										
Male	49	49	49	49	49	49	48	49	46	49
Female	51	51	51	51	51	51	52	51	54	51
Age										
18-29 yrs	20	20	20	20	18	19	28	21	17	20
30-44 yrs	26	24	24	26	23	26	35	26	26	27
45-59 yrs	25	25	26	25	25	26	21	26	27	26
60-74 yrs	19	21	20	20	21	20	13	20	23	20
75+ yrs	10	11	10	9	12	8	3	7	8	7
SEC										
1	33	28	26	28	32	34	38	29	34	28
2	24	22	20	21	24	25	22	22	27	21
3	32	35	39	36	33	29	23	34	26	36
4	8	12	11	11	8	9	12	10	9	10
5	3	3	4	3	3	2	5	5	4	5
Sample achieved	500	500	500	500	500	500	500	500	500	500

Table 5: Sample achieved by WoC

	Affinity Central %	Affinity East %	Affinity South East %	Bristol Water %	Cambridge Water %	Dee Valley Water %	Essex & Suffolk Water %	Portsmouth Water %	Sembcorp Bournemouth Water %	South East Water %	South Staffordshire Water %	Sutton & East Surrey Water %
Gender												
Male	49	49	47	49	49	46	49	46	49	49	46	48
Female	51	51	53	51	51	54	51	54	51	51	54	52
Age												
18-29 yrs	16	16	18	19	20	19	16	19	19	20	14	8
30-44 yrs	36	25	28	24	28	24	27	28	24	26	28	30
45-59 yrs	25	28	28	25	25	27	27	27	26	26	28	31
60-74 yrs	15	23	20	21	21	25	22	21	21	20	23	25
75+ yrs	8	8	6	10	6	6	8	6	10	9	7	6
SEC												
1	40	36	39	34	38	39	36	39	32	37	30	49
2	24	21	18	26	23	20	28	25	25	25	23	25
3	25	31	30	29	29	30	27	26	32	25	32	17
4	9	11	12	7	7	9	7	7	9	10	13	9
5	3	1	2	5	4	2	2	3	2	3	2	1
Sample achieved	500	500	500	500	500	490	500	500	500	500	500	477

2.4.9 13% of the population are currently offline10, that is, they do not have access to the internet. A small sample of customers who rarely or never use the Internet was

[10] Internet Access Quarterly Update Q1, 2014 (ONS)

included for each water company so that this group of customers was represented in the research. Interviews were conducted face-to-face with respondents either in the street or on the doorstep. Respondents were screened to ensure they rarely or never use the Internet. These interviews are referred to as 'offline' interviews throughout the report.

2.5 Questionnaire

2.5.1 The questionnaire was informed by previous acceptability research carried out by CCWater. It was independently peer reviewed by a research expert not previously involved in CCWater's research.

2.5.2 CCWater wanted to gauge acceptability of the water and sewerage bill proposals both before the customers were fully informed as to the services that water companies provide, and also after they were informed. Gaining an uninformed response is important because once a respondent is informed, they are not representative of the average bill payer who knows little about the industry, company services and investment programmes. The uninformed response is needed because most closely represents how the average bill payer will react when they get their bill. In their own testing of business plan proposals, some water companies used similar approaches.

- Uninformed acceptability was split into two parts:

  Part 1 – respondents were simply presented with the proposed percentage (%) change in the average water/sewerage bill (excluding inflation) over the period 2015-2020, and asked how acceptable this change was to them;

  Part 2 - respondents were presented with the monetary (£) change in the average water/sewerage bill (including inflation11) over the period 2015-2020, and asked how acceptable this change was to them;

- Informed acceptability – respondents were presented with planned service levels along with year on year proposed price changes for water, sewerage and combined bills (where applicable) and asked how acceptable these changes were to them (price changes included inflation). They were also asked for their reasons for their answers.

  Two distinct customers groups were asked about affordability:

  1) anyone with a combined bill (i.e. both services together on one bill) and who found the combined bills proposals unacceptable. Some of these

[11] A forecast of inflation was used which was based on figures Ofwat published from Office of National Statistics forecasts.

customers would get all their services from a WaSC and some would get their services from two different companies.

2) anyone who received two separate bills, i.e. one for water services and one for sewerage services. In this way, respondents who received separate bills were asked how affordable they thought the proposed changes were on their respective bills, to test whether one particular service was an issue.

2.5.3 The questionnaire took 15 minutes to administer. A copy of the questionnaire is included in Appendix 1.

2.6 Data processing and computer tables

2.6.1 Weighting has been applied to the data at a total level and is indicated throughout the report with a '^' symbol.

2.6.2 Quotas were set to achieve a representative profile of the population for each company (2011 population for the census region which the water company was mapped into). In order to complete the fieldwork, some of the regional quotas were relaxed. Respondent profile, however, remained very close to the desired profile and therefore no individual water company weighting was necessary.

2.6.3 The total sample for England and Wales has been weighted so that the sample size for each water company is in correct proportion for the size of its household customer base.

2.6.4 Trimmed weights have been used to avoid excessive weighting which could increase the margin of error and obscure significant differences. The trimmed weights are within three times the median and this reflects good practice for data handling and analysis.

2.6.5 The effect of using trimmed weights versus the alternative 'extreme' weight was tested and the findings were the same regardless of which weighting was applied.

2.6.6 Weights used are shown in the table below.

Table 6: Weighting the sample

Weighting the sample

Company	Unweighted	Percent	Weighted	Weight ratio	Trimmed weight ratio (applied)
Anglian Water	500	4.6%	8.2%	1.81	1.81
Dwr Cymru (Welsh Water)	500	4.6%	5.4%	1.18	1.18
Northumbrian Water	500	4.6%	4.5%	0.99	0.99
Severn Trent Water	500	4.6%	13.7%	3.01	2.40
Southern Water	500	4.6%	4.3%	0.94	0.94
South West Water	500	4.6%	3.0%	0.67	0.67
Thames Water	500	4.6%	14.6%	3.20	2.40
United Utilities Water	500	4.6%	12.7%	2.80	2.40
Wessex Water	500	4.6%	2.3%	0.50	0.50
Yorkshire Water	500	4.6%	8.8%	1.93	1.93
Affinity Water Central	500	4.6%	5.4%	1.19	1.19
Affinity Water East	500	4.6%	0.3%	0.07	0.41
Affinity Water South East	500	4.6%	0.3%	0.07	0.41
Bristol Water	500	4.6%	2.0%	0.45	0.45
Cambridge Water	500	4.6%	0.5%	0.11	0.41
Dee Valley Water	490	4.5%	0.5%	0.11	0.41
Essex & Suffolk Water	500	4.6%	3.1%	0.69	0.69
Portsmouth Water	500	4.6%	1.2%	0.27	0.41
Sembcorp Bournemouth Water	500	4.6%	0.8%	0.17	0.41
Sutton & East Surrey Water	477	4.3%	1.1%	0.25	0.41
South East Water	500	4.6%	3.5%	0.77	0.77
South Staffordshire Water	500	4.6%	4%	0.82	0.82
Total	10967	100%	100%		

2.7 Interpretation of data

2.7.1 Please note that where percentages do not add to 100 this may be due several factors:

- Rounding;
- The omission of 'don't know' categories from the charts or tables;
- Multiple answers.

2.7.2 Individual water company results are mentioned in bullet points where they are statistically significantly different to the total. Where there are comments about differences in the sub groups (age, SEC, household income, metered/unmetered, vulnerable groups) these compare with the bands within the sub group.

2.7.3 The table below shows the statistical reliability of results for total base sample sizes of 11,000 (the total sample), 10,102 (the total sample for England), 898 (the total sample for Wales) and 500 (the approximate sample achieved in each region).

Table 7: Statistical reliability

	Approximate sampling tolerances applicable to percentages at or near these levels		
Base size	**10% or 90%**	**30% or 70%**	**50%**
11,000 (total sample)	± 0.6%	± 0.9%	±0.9%
10,102 (total England)	± 0.6%	± 0.9%	± 1.0%
898 (total Wales)	± 2.0%	± 3.0%	± 3.3%
500 (total per region)	± 2.6%	± 4.0%	± 4.4%

3. Setting the scene – bills and the cost of living

During the course of the interview, respondents were asked what their current annual water and sewerage bills are[12]. They were also asked their level of agreement with a number of statements relating to bills and the cost of living. Analysing the data from these questions allows us to draw conclusions about respondent views on the bills and the cost of living generally.

Summary:

- On average customers are paying £394 per year for water and sewerage services.
- Amongst the WaSCs, customers from Anglian Water, Welsh Water, South West Water, United Utilities and Wessex Water cite bill amounts which are significantly higher than bills of other water companies.
- Amongst WoCs, the water bill amounts quoted by customers of Dee Valley Water are significantly higher than those quoted by customers of other WoCs.
- Most customers (79%) accept that prices will increase in line with inflation but they feel this is hard to predict. Although, the majority accept that their household bills increase by inflation (64%) views are mixed as to whether they think specifically about the impact of inflation on their bills.
- Customers are already feeling the economic pinch; most feel their income doesn't keep up with the cost of living. Just over half feel their water and/or sewerage bill is already too high.
- Not surprisingly, it is the lower income groups that are feeling the cost of living most. In addition, middle-aged, older and unmetered customers are more concerned than others about the cost of living.
- As expected, household income varies by region, and attitudes to the cost of living are impacted by household income. Generally speaking, household incomes in the northern regions of the country are lower than in the south. Those from the lowest income groups are more likely to be concerned about the cost of living, feel that their incomes are not keeping in line with inflation and to be of the view that water bills are already too high.

[12] The question about current bills was asked after the first uninformed acceptability question so that it did not influence this initial response.

3.1 Household income

3.1.1 The profile of household income among customers is shown in Figures 2 and 3 below. Across the total sample just over one in ten (12%) has a household income of less than £10,000 per year and at the other extreme an equal proportion (12%) has an income in excess of £50,000 per year. In between, around a fifth of the sample has incomes of £10,000 to £19,999 (23%), £20,000 to £29,999 (19%) and £30,000 to £49,999 (21%).

3.1.2 Customers in the northern half of England, and in Wales, tend to be earning less than those in the south east. Customers from Anglian, Welsh, Northumbrian, Severn Trent, South West, United Utilities and Yorkshire have more customers with incomes of less than £20,000 per year. While, there are more customers from Southern, Thames, Affinity Central, Affinity South East and Sutton and East Surrey customers with incomes of £30,000 or more.

3.1.3 Household income also varies between the different age groups. Respondents aged 18-29 and above 75 years tend to have lower incomes than other age groups. Those with the highest income are aged between 30 and 44 years, followed by respondents aged 45-59 years.

3.1.4 Respondents who have long term illness/disability themselves or in the family are more likely to fall in the lower household income groups – about half of them earn up to £19,999 (52% self-disability and 47% disability in the household, compared to 30% who do not have a disabled household member).

Figure 2: Household income among WaSC customers

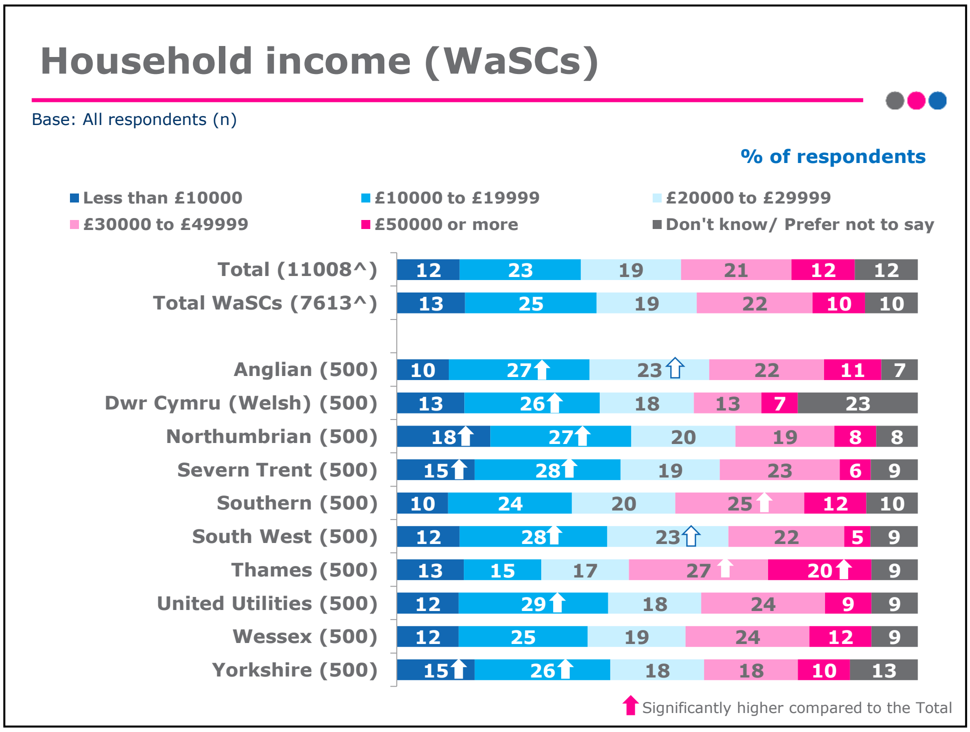
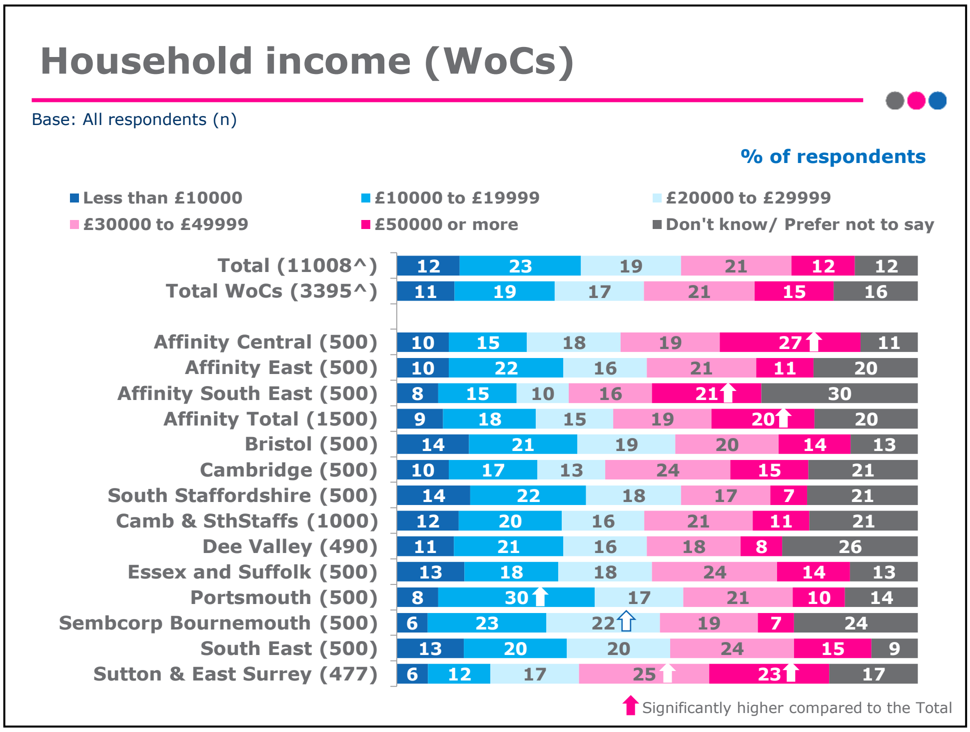


Figure 3: Household income among WoC customers



3.2 Current bills

Respondents were asked how much they currently pay for water and sewerage services. Customers who receive a combined bill were asked how much they pay in total for water and sewerage, while those who receive separate water and sewerage bills were asked to think of both and add them together. They were also asked if the figure they gave was from an actual bill or if it was their best estimate.

3.2.1 On average, customers are paying £394 per year for water and sewerage services. Those who believe they are paying the most are younger customers (18-29 years £428 per year), those on higher incomes (£30,000 to £49,999 £426 per year and £50,000 or more £444 per year) and SEC 1 (£420 per year). Notably, unmetered customers state a higher average bill than metered customers (£420 versus £369 per year).

3.2.2 Customers who referred to their bills quoted similar amounts on average to those who gave their best estimate. Only Yorkshire Water, Affinity Central, Portsmouth and Sembcorp Bournemouth customers who estimated the bill gave an amount significantly higher than those who had referred to the actual bill.

3.2.3 Respondents from the following WaSCs quote the highest average bills: South West (£490 per year), Wessex (£447 per year), United Utilities (£431 per year), Welsh (£427 per year) and Anglian (£419 per year). Interestingly, United Utilities customers quote a bill amount significantly higher than the actual average bill amount for United Utilities (£431 vs. an actual average of £388).

3.2.4 Similarly, almost all WoC customers, particularly those where the WoC has just one sewerage service provider, quote higher than actual average bill amounts, apart from Affinity South East (£401 stated vs £465 actual) and Portsmouth Water (£349 stated vs £363 actual).

Figure 4: Current yearly bill among WaSCs

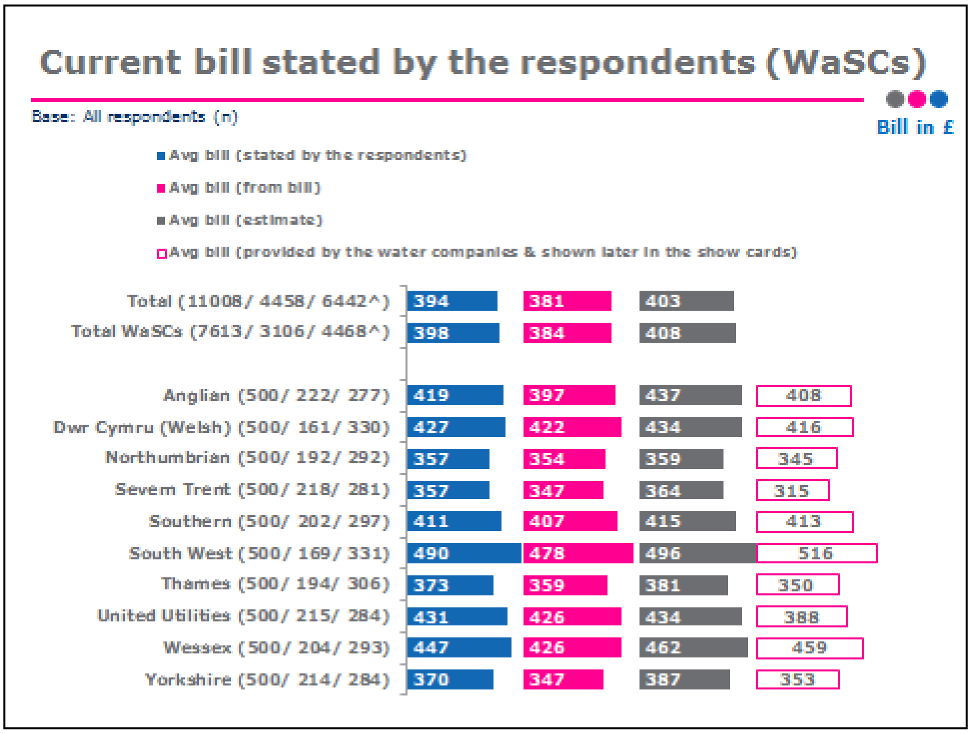
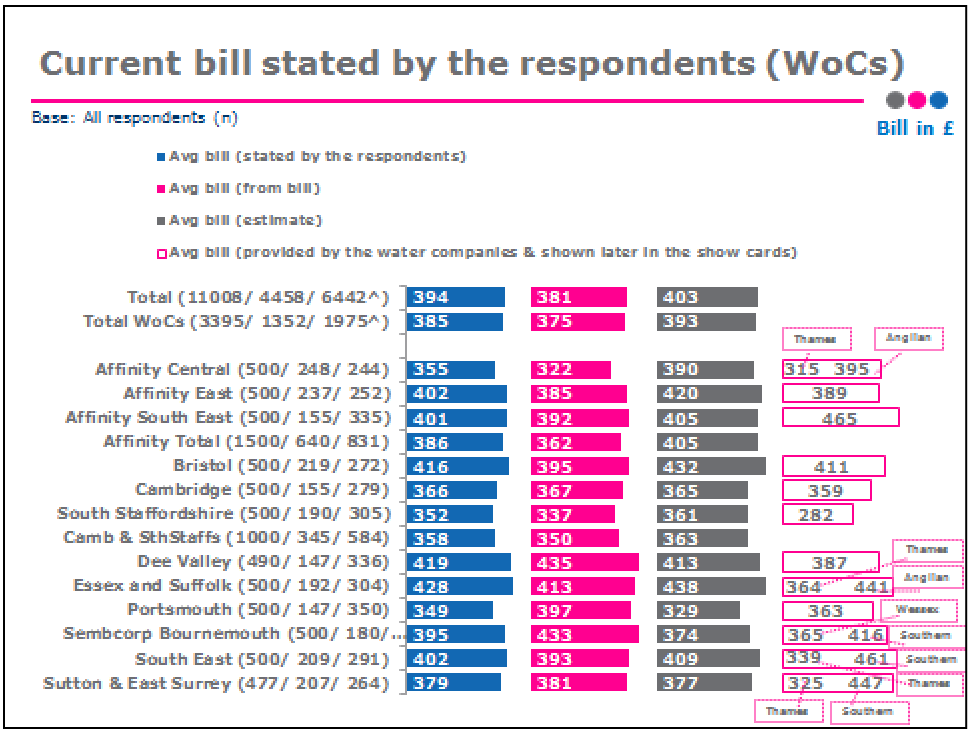


Figure 5: Current yearly bill among WoCs



3.3 The cost of living

3.3.1 In order to understand the customer context, respondents were asked their opinion about several statements related to income, bills, inflation and the cost of living.

They were then asked an additional single question about how likely they thought it would be that their household income would keep up with changes in the cost of living over the next five years. These questions were asked at the end of the interview to avoid influencing the acceptability measures; however it is possible that respondents' answers to the 'cost of living' questions might have been inflated because of their position at the end of the survey.

3.3.2 There is general acceptance that bills will increase over time in line with inflation (79% agree). However, there is also widespread agreement that the level of inflation is hard to predict (73% agree).

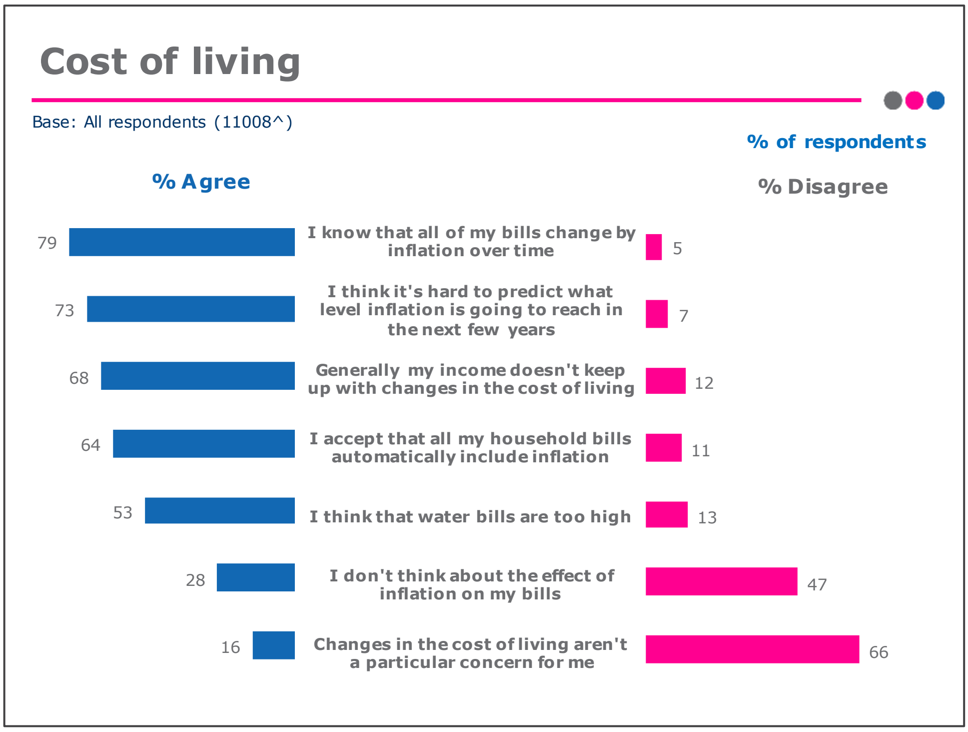
3.3.3 Although most customers are aware that their bills change by inflation over time, just under two thirds (64%) accept that their household bills automatically include inflation. 11%, however, disagree with the same statement. Added to which, views are somewhat mixed as to whether people think specifically about the effect of inflation on their bills (47% disagree, 28% agree, 23% neither).

3.3.4 Just over two thirds feel that their income doesn't keep up with the cost of living (68% agree). A similar proportion feels that changes in the cost of living are a concern (with 66% disagreeing that changes in the cost of living aren't a concern).

3.3.5 Notably, just over half of all those interviewed said at this point that water bills are already too high (53% agree).

Overall views are illustrated in the figure below:

Figure 6: Overall views on the cost of living



Figures 7 and 8 summarise the proportion of respondents who agree with each of the statements, within the individual WaSCs and WoCs.

Figure 7: Cost of living attitudes among WaSC customers[13]

Cost of living attitudes (WaSCs)

5 points scale: Strongly agree, Tend to agree, Neither agree, nor disagree, Tend to disagree, Strongly disagree and Don't know. NET Agree data is shown

% of respondents

Net 'Agree'	Total (11008^)	Total WaSCs (7613^)	Anglian (500)	Dwr Cymru (Welsh) (500)	Northumbrian (500)	Severn Trent (500)	Southern (500)	South West (500)	Thames (500)	United Utilities (500)	Wessex (500)	Yorkshire (500)
I know that all of my bills change by inflation over time	79	79	80	80	80	78	80	82	74	76	83	82
I think it's hard to predict what level inflation is going to reach in the next few years	73	72	72	78	74	72	72	70	69	71	75	72
Generally, my income doesn't keep up with changes in the cost of living	68	68	67	68	69	71	71	70	65	69	72↑	68
I accept that all my household bills automatically include inflation	64	63	64	67	65	65	60	61	56	63	66	65
I think that water bills are too high	53	53	47	60↑	53	53	56	71↑	55	51	54	47
I don't think about the effect of inflation on my bills	28	26	27	25	28	28	25	24	24	27	28	29
Changes in the cost of living aren't a particular concern for me	16	14	17	13	14	15	13	14	12	16	15	14

Base: All respondents (n)

↑ Significantly higher compared to the Total

Figure 8: Cost of living attitudes among WoC customers

Cost of living attitudes (WoCs)

5 points scale: Strongly agree, Tend to agree, Neither agree, nor disagree, Tend to disagree, Strongly disagree and Don't know. NET Agree data is shown

% of respondents

Net 'Agree'	Total (11008^)	Total WoCs (3395^)	Affinity Central (500)	Affinity East (500)	Affinity South East (500)	Affinity Total (1500)	Bristol (500)	Cambridge (500)	South Staffs (500)	Camb & SthStaffs (1000)	Dee Valley (490)	Essex and Suffolk (500)	Portsmouth (500)	Sembcorp Bournemouth (500)	South East (500)	Sutton & East Surrey (477)
I know that all of my bills change by inflation over time	79	80	80	86↑	81	82	77	86↑	76	81	84	81	85↑	83	75	84
I think it's hard to predict what level inflation is going to reach in the next few years	73	75	67	84↑	76	76	73	85↑	75	80↑	81↑	75	78	77	71	70
Generally, my income doesn't keep up with changes in the cost of living	68	67	67	69	68	68	63	58	73↑	65	68	71	66	61	65	72↑
I accept that all my household bills automatically include inflation	64	67	64	78↑	68	70↑	63	74↑	63	68	76↑	66	72↑	77↑	60	61
I think that water bills are too high	53	53	56	49	67↑	57↑	48	36	56	46	50	55	50	41	57	50
I don't think about the effect of inflation on my bills	28	31	34↑	38↑	40↑	37↑	28	40↑	30	35↑	28	26	31	30	25	23
Changes in the cost of living aren't a particular concern for me	16	19	26↑	26↑	22↑	24↑	21↑	29↑	12	20↑	18	16	12	13	15	16

Base: All respondents (n)

↑ Significantly higher compared to the Total

[13] Weighted data is indicated with '^' symbol

- Attitudes to the cost of living vary by age and income as shown below.
- Those who know their bills will change by inflation over time are most likely to be:
  - over 45 years (45-59 years 82% agree, 60-74 years 85% agree and 75 + years 87% agree);
  - with incomes of £10,000 - £19,999 per year (81% agree) and over £50,000 per year (83% agree);
  - Metered (81% compared to 78% of unmetered respondents).

The income profile above reflects the age profile and the diverse range of incomes in the over 45 age group, which consists of both working and retired customers.

- Predicting the level of inflation is recognised as being difficult more by:
  - older customers (60-74 years 80% agree and 75 + years 82% agree); and,
  - those with incomes of £10,000 - £19,999 per year (76% agree).
- Those who feel their income doesn't keep up with changes in the cost of living tend to be:
  - middle-aged (30-44 years 70% agree and 45-59 years 72% agree),
  - with incomes less than £20,000 per year (less than £10,000 77% agree and £10,000-£19,999 76% agree)
  - with a long term illness or disability themselves (77% agree) or a household member (74% agree).
  - Unmetered customers (70% vs 67% of metered).
- Among those who recognise that their household bills include inflation, acceptance is greatest among older customers (60-74 years 68% agree and 75 + years 76% agree) and those who have water meters (67% agree vs 62% unmetered agree).
- Those who feel the water bill is too high tend to be middle aged (56% 30-44 years agree and 55% 45-59 years agree), from the lower incomes (less than £10,000 59% agree and £10,000-£19,999 56% agree) and with a long term illness themselves (59% agree) or in the household (57% agree). Additionally, unmetered customers are more likely to think they're too high when compared to metered (56% vs 50%). Within metered customers, more optants disagree that they are too high, compared to those who had no choice about having a meter fitted (19% vs 13%).
- Those who don't think about the impact of inflation on their bills tend to be younger (18-29 years 35% agree) or with high incomes (more than £50,000 35% agree). Metered customers are also more likely to agree with this, compared to unmetered customers (30% vs 25%).
- Equally, those who feel that changes in the cost of living are not a particular concern, tend to be at each end of the age spectrum (18-29 years 21% agree and

75+ years 20% agree) and with high incomes (more than £50,000 28% agree). Metered customers tend to be less concerned about the cost of living compared to unmetered, with 19% agreeing with the statement versus 12%.

3.3.6 Respondents were also asked an additional single question about how likely they feel it would be that their household income would keep up with changes in the cost of living.

Figure 9: Likelihood of household income keeping up with the cost of living among WaSC customers[14]

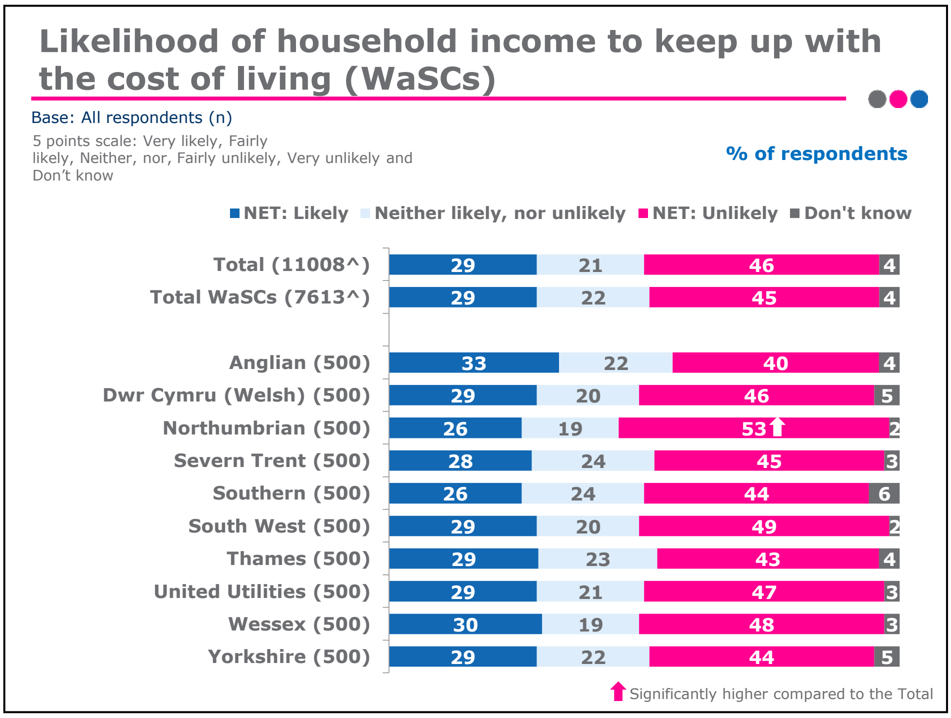
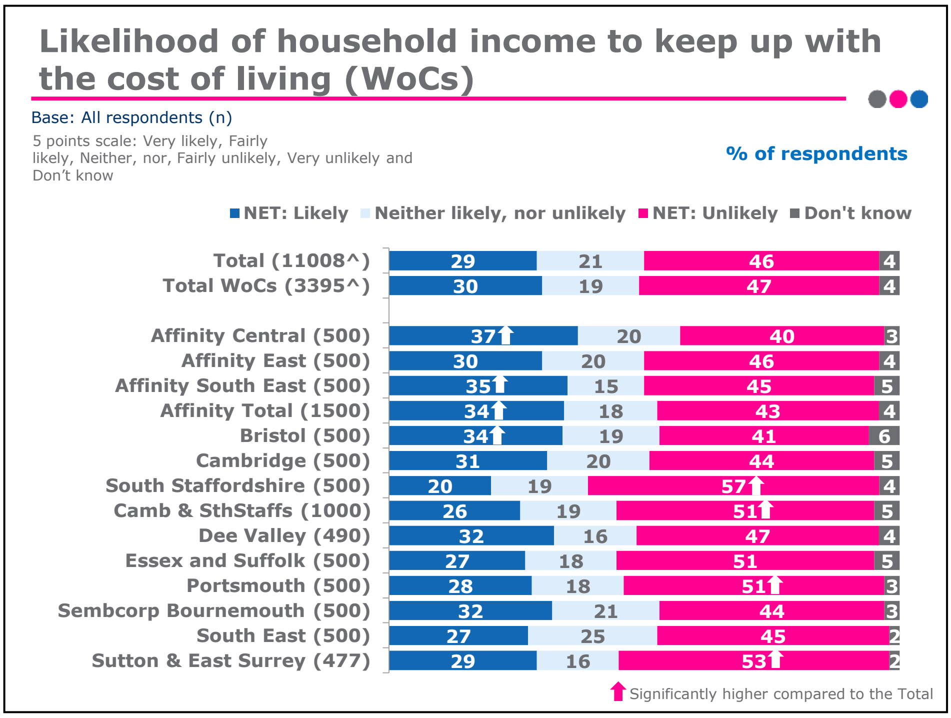


Figure 10: Likelihood of household income keeping up with the cost of living among WoC customers



[14] Weighted data is indicated with '^' symbol

- On average, only about three in ten (29%) feel that their household income is likely to keep up with the cost of living. Almost half (46%) feel it would be unlikely and about one in five (21%) feel it would be neither likely nor unlikely.
- Amongst the WaSCs, customers of Northumbrian are most likely to feel that their incomes are unlikely to keep up with the cost of living (53%).
- Amongst the WoCs, customers of Affinity Central, Affinity South East and Bristol Water are most likely to feel that their incomes will keep up with the cost of living (37%, 35% and 34% likely).
- Customers from South Staffordshire Water, Portsmouth Water and Sutton and East Surrey Water feel their incomes are least likely to keep up with the cost of living (57%, 51% and 53% unlikely). Customers of Sutton & East Surrey Water who receive their sewerage services from Thames Water are less likely to think that their income will keep up with the cost of living than those who get sewerage services from Southern Water.
- Those most likely to feel their income would keep up with changes in the cost of living tend to be:
    - Young (18-29 years 41% and 30-44 years 31% likely).
    - With a household income more than £30,000 per year (£30,000 to £49,999 34% and £50,000 50% likely).
    - In SEC1 (37% likely).
    - Metered customers (33% likely).
- Conversely, those who feel it is unlikely their income will keep up with the cost of living tend to be:
    - Middle aged (45-59 years 53% unlikely and 60-74 years 54% unlikely).
    - With a household income of less than £20,000 per year (less than £10,000 59% unlikely and £10,000-£19,999 53% unlikely).
    - SEC2[15] (50% unlikely).
    - Long term illness (self 53% unlikely and other household member 57% unlikely)
    - Unmetered customers (49% unlikely).

[15] SEC 2: Intermediate occupations; small employers and own account workers

4. Uninformed Acceptability

Respondents were first asked for their uninformed reaction to the proposed price changes to water and sewerage bills. The rationale behind this was that this most closely represents how the average bill payer, who knows little about the industry, their services and their investment programme – will react when they get their bill.

They were asked these questions before being given any information about the service levels that the water and sewerage companies were planning alongside the price changes.

Summary:

- 74% of uninformed customers found the proposed percentage bill changes (uninformed acceptability 1) from 2015-2020 to be acceptable. There was little difference between WaSC and WoC customers.
- For uninformed acceptability 2, where the proposed bill change is shown in monetary terms, acceptability falls to 55% for those who receive a combined water and sewerage bill, and for those who receive separate bills acceptability falls to 60% for water proposals and 56% for sewerage proposals.
- This indicates that acceptability is generally higher when the bill change is shown in % terms, and drops when the same change is shown in £ terms.
- Across both uninformed acceptability questions, Northumbrian and South West customers are less accepting of the proposals when compared to the total.
- Conversely, Bristol and Affinity Central customers are more accepting of the proposals.
- Those in the lowest household income band (less than £10,000) are significantly less accepting than those in the highest household income band (more than £50,000).
- Similarly, those in the higher SEC groups tend to have a greater level of acceptability, as do those customers who have water meters.
- Generally there is good understanding amongst all customers of what water and sewerage companies are responsible for; however half of customers (51%) believe mistakenly that water companies are responsible for the drainage of rainfall from roads.

4.1 Uninformed acceptability (1)

4.1.1 Respondents were told that their water company (and sewerage company where applicable) had produced a plan for water and sewerage services, and the investments they will make, for the 5 year period 2015 to 2020 (Appendix 3). They were told that Ofwat had reviewed the plan and made a draft decision on the service levels that customers will get, and how their bills will change from 2015 to 2020. Respondents were given the average percentage (%) bill change they could expect each year from 2015-2020 before the effect of inflation is added (Appendix 4), and they were asked how acceptable they found this.

4.1.2 Just under three quarters of all respondents (74%) find the percentage bill change acceptable. There are no differences between the views of WaSC and WoC customers.

Figure 11: Uninformed acceptability (1) - WaSCs

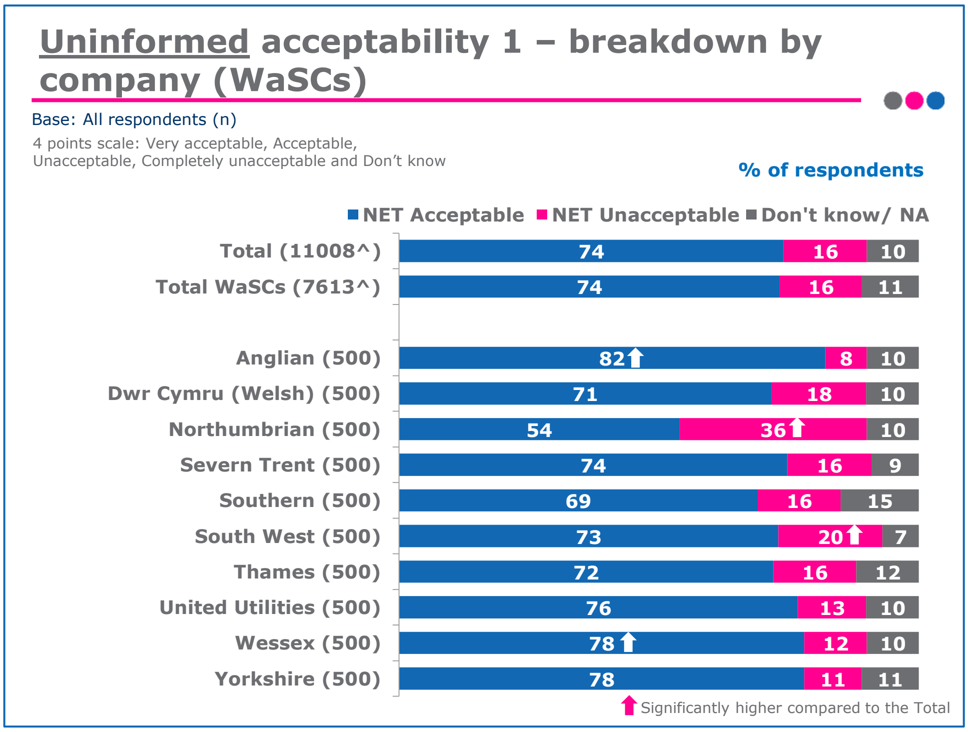
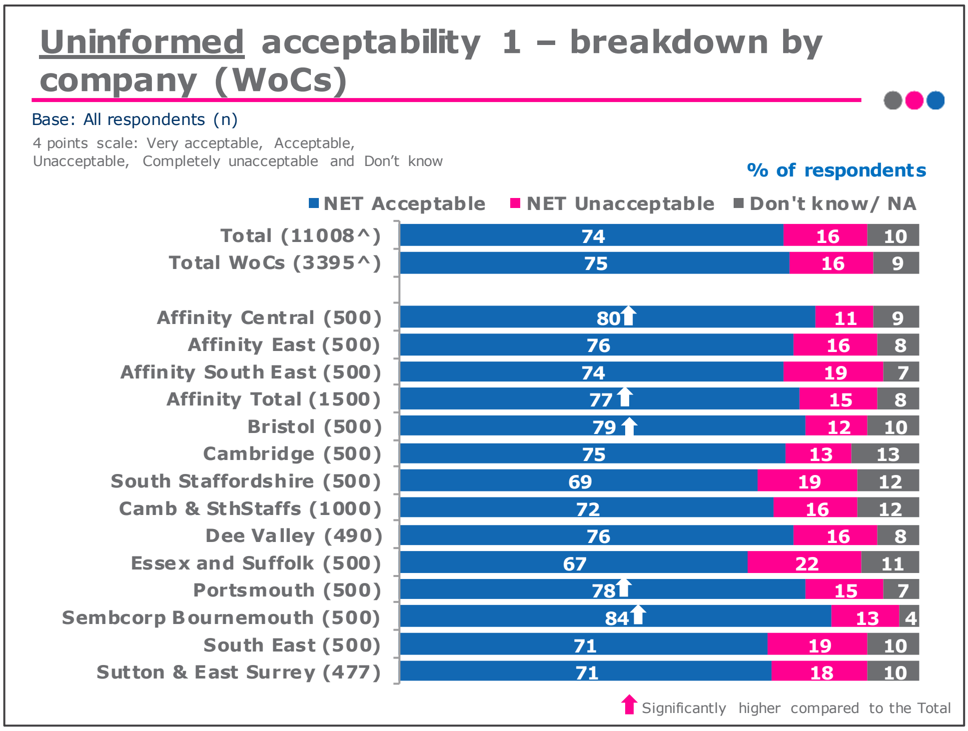


Figure 12: Uninformed acceptability (1) - WoCs



- Amongst the WaSC customers, Anglian and Wessex show significantly higher levels of acceptability (82% and 78% acceptability) while Northumbrian and South West have higher levels of unacceptability (36% and 20%).

- For South West we encountered high levels of customers who feel their bill is too high (they have the highest average and sewerage bills at £490). Northumbrian is the only WaSC where a net rise was quoted in the question (albeit a small one – 0.3%). There is also a higher proportion of customers who have a household income of less than £20,000 when compared to the total in this region.
- For the WoCs, Affinity Central, Bristol, Portsmouth and Bournemouth show higher levels of acceptability (80%, 79%, 78% and 84%). All four water companies have predicted bill decreases of at least 1% before the inflation is added which could explain this.
- Cambridge and South Staffs combined have a similar level of acceptability as the total despite Cambridge being significantly higher. This is because acceptability amongst South Staffs customers is just 69% (although this is not a significant difference when compared to the total).
- Interestingly, those who receive a sewerage service from Thames Water and water from Essex and Suffolk Water find the proposals significantly less acceptable than all other respondents who receive sewerage from Thames Water (Essex and Suffolk 54% vs Sutton and East Surrey 67%, Thames 72%, Affinity Central 80%). Similarly, those who receive sewerage from Anglian Water and water from Essex and Suffolk Water find the proposals significantly less acceptable than those who receive sewerage from Anglian Water but receive water from Affinity Central and Anglian Water (Essex and Suffolk 71% vs Anglian 82%, Affinity Central 79%). From this it can be derived that it is the water rather than sewerage element of Essex and Suffolk Water bills that is driving unacceptability with its customers. This is also interesting given that customers of Northumbrian Water (which owns Essex and Suffolk Water) have one of the highest levels of unacceptability.
- In addition, those who receive sewerage services from Southern Water and water from Bournemouth, Portsmouth or Sutton & East Surrey find the proposals more acceptable than those who receive sewerage from Southern Water but water from South East or Southern Water (Bournemouth 88%, Portsmouth 78%, Sutton & East Surrey 82% vs South East 69%, Southern 69%).
- Also, those who receive sewerage services from Wessex Water and water from Bournemouth Water find the proposals more acceptable than those who receive both sewerage and Water from Wessex Water (Bournemouth 83% vs Wessex 78%).
- As might be expected, customers with a household income of less than £10,000 find the proposals significantly less acceptable when compared to those with higher incomes (income of less than £10,000 22% state unacceptable vs. just 9% of those with household incomes of over £50,000), while those with higher incomes find the

proposals significantly more acceptable than those with lower household incomes (£30,000-£49,999 79% acceptable, £50,000+ 86% vs less than £10,000 61%).

- Similarly, those in SEC1[16] find the proposals more acceptable than those in SEC4/5[17] (80% vs 63%).
- Those with a long term illness, either themselves or someone else in their household, find the proposals less acceptable than those in households with no long term illness, with 18% and 20% (respectively) stating that they find the proposals unacceptable, compared to 15% of those who have no long term illness.
- Those whose water usage is metered also find the proposals more acceptable than those who are unmetered (78% vs 70%), and within these metered people, those who opted to have a water meter installed have greater acceptability than those who state that they have a water meter because they 'had no choice' (81% vs 73%).

[16] SEC1: Higher managerial, administrative and professional occupations, lower managerial, administrative and professional occupations

[17] SEC4/5: Never worked/unemployed/Full time students

4.2 Uninformed acceptability (2)

4.2.1 Respondents were given brief generic information about the services which water and/or sewerage companies provide to their customers (Appendix 3).

4.2.2 WaSC customers were given the proposed monetary (£) change to the average household bill for water and sewerage services from now to 2020. These figures included a forecast of inflation (Appendix 4).

4.2.3 WoC customers were given the proposed monetary change (£) for the average household water bill from now to 2020. They were told that their sewerage bill would also be likely to change over the next 5 years, and given a monetary (£) figure for the current average sewerage bill for their sewerage services provider [Appendix 4].

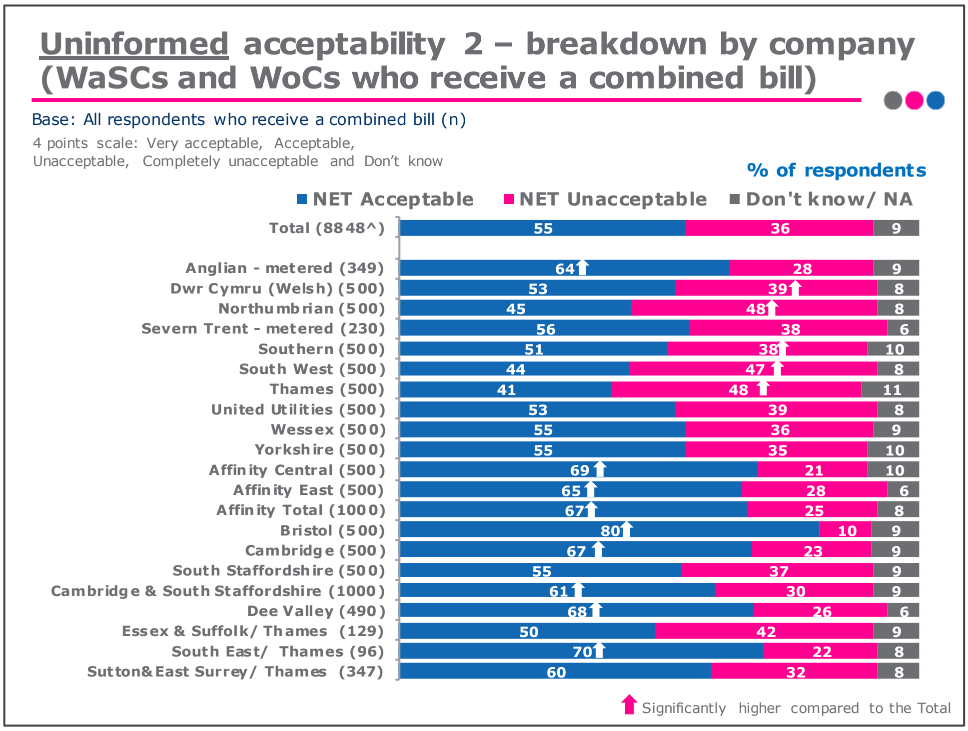
4.2.4 To mirror the format in which customers receive their bills, respondents who receive one combined bill were asked how acceptable they found the proposal for water and sewerage bills together, while respondents who receive separate bills were asked how acceptable they found the proposal for the water bill and for the sewerage bill separately.

4.2.5 Customers of South West Water were asked an additional question. They were told that each year from now until 2020, the Government will continue to make a £50 contribution towards each household water bill. They were told in monetary figures (£) what effect this has on their current average bill and the effect that it would have on the average bill in 2020. South West Water customers were asked how acceptable they found this plan.

Uninformed acceptability (2) – customers who receive a combined bill

4.2.6 Just over half of all customers (55%) who receive a combined bill find the proposal acceptable when given the monetary change, including inflation, to the average bill from 2015-2020. Just over a third (36%) find the proposal unacceptable.

Figure 13: Uninformed acceptability (2) – customers who receive a combined bill



- Amongst the WaSCs, Northumbrian, Thames and South West find the proposals less acceptable (48%, 48% and 47% unacceptable respectively compared to 36% total unacceptable), and are joined by Welsh and Southern customers (39% and 38% respectively).
- Certainly in the case of Thames this is perhaps not surprising since these customers see the largest increase in their bill (increase of £78). Interestingly though, those who receive sewerage services from Thames Water and water from a different company (Affinity Central, South East Water, and Sutton & East Surrey) find the proposals more acceptable than those who receive both services from Thames Water (Affinity Central 68%, South East 70%, Sutton & East Surrey 60% vs Thames 41%).
- Metered Anglian customers are the only ones to find the proposals significantly more acceptable (64%), however this is unsurprising since Anglian customers see a relatively small monetary increase in their proposed bill (£20).
- WoC customers (who receive combined bills) are more likely to find the proposals acceptable with two thirds of them (65%) finding them acceptable, compared to 55% total (see table 20 for reference regarding combined and separate bills for each water company).
- As with the first uninformed acceptability question, Affinity Central, Bristol and Cambridge customers find the proposals more acceptable when compared to the total (64%, 69%, 80% and 67% respectively). Additionally, Affinity East, Dee Valley and South East customers also find the proposals more acceptable (65%, 68% and 70% respectively). Indeed, those who receive sewerage from Welsh Water and water from Dee Valley Water are more accepting of the proposals than those who receive both water and sewerage from Welsh Water (Dee Valley 68% vs Welsh 53%) and those who

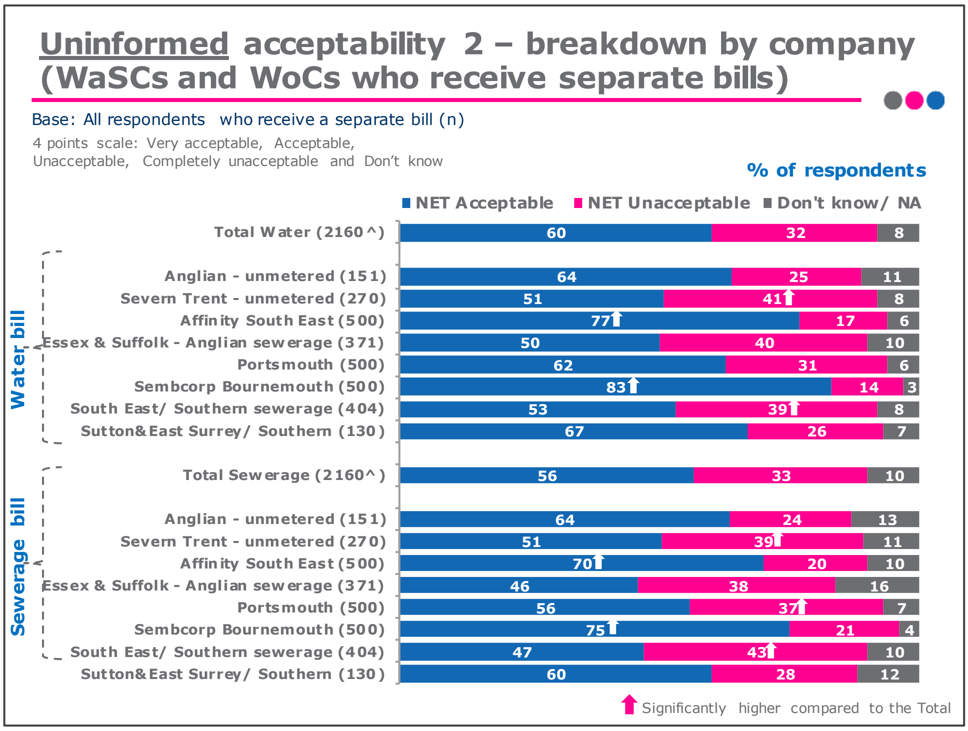
receive sewerage from Wessex Water and water from Bristol Water are more accepting of the proposals than those who receive both water and sewerage from Wessex Water (Bristol 80% vs Wessex 55%).

- When combined into one company area, acceptability for Cambridge and South Staffordshire customers averages at 61% - higher than the 55% measured across all respondents. However there is a significant difference of 12% between the two areas taken separately (Cambridge 67% and South Staffordshire 55%). Cambridge customers find the proposals more acceptable than their South Staffs counterparts, thus increasing the total of the two water companies.

Uninformed acceptability (2) – customers who receive separate bills

4.2.7 Acceptability is slightly higher for the water bill proposals than for the sewerage bill proposals (60% and 56% respectively), but within each, the profile of water company customers who find the proposals acceptable or unacceptable are similar. Whilst WoC customers find the water bill proposals more acceptable than WaSC customers (64% vs 55%), there is no similar significant difference between the WoC and WaSC customers for the sewerage bill proposals.

Figure 14: Uninformed acceptability (2) – customers who receive separate bills



- There are few differences between the customers of different WaSCs which provide both combined and separate bills, with the exception of unmetered customers in Severn Trent who are more likely to find the proposals unacceptable than metered customers.

- Amongst the WoCs, across both water bill and sewerage bill proposals, Affinity South East and Bournemouth find the proposals more acceptable (water bill: 77% and 83% respectively; sewerage bill: 70% and 75% respectively).
- Also, South East/Thames customers display a higher level of acceptability than South East/Southern customers (70% for combined bill proposal vs 53% for the water bill proposal and 47% for the sewerage bill proposal). Interestingly, those who receive sewerage from Southern Water and water from South East Water find the water proposals less acceptable than all other respondents that receive sewerage from Southern Water (South East 53% vs Affinity South East 77%, Bournemouth 88%, Portsmouth 62% and Sutton & East Surrey 67%). The same is true for acceptability of the sewerage proposal (South East 47% vs Affinity South East 70%, Bournemouth 81%, Portsmouth 56% and Sutton & East Surrey 60%).
- Also, as we saw earlier on in this document, those with separate bills who receive both sewerage and water from Anglian Water find the water proposals more acceptable than those who receive sewerage from Anglian but water from Essex and Suffolk (Anglian 64% vs Essex and Suffolk 50%). The same is true for the sewerage proposals (Anglian 64% vs Essex and Suffolk 46%).
- Generally, acceptability is greater amongst those with higher household incomes and lower amongst those with lower household incomes. This is the same across both combined bill proposals and separate bill proposals. Amongst those who saw the combined bill proposals, 68% of those with high household incomes (£50,000+) find the proposals acceptable, compared to 44% of those with low household incomes (less than £10,000). Amongst those receiving separate bills, results are similar, with 77% acceptability of the water bill proposals amongst those with high household incomes versus 42% acceptability amongst low household income customers, and 73% acceptability of the sewerage bill proposals amongst high household income customers.
- There are also differences by SEC. Amongst those receiving one bill, nearly two thirds (62%) of those in SEC1 find the proposals acceptable compared to just under half (47%) of those in SEC 4/5, while more of those in SEC 4/5 find the proposals unacceptable (39% compared to 32% of those in SEC1). Similarly, amongst those with separate bills, those in SEC1 have greater acceptability with 67% finding the water bill proposals acceptable compared to 57% of those in SEC 4/5; those in SEC1 also have greater acceptability of the sewerage bill proposals (63% SEC1 vs 54% SEC 4/5).
- Metered customers (regardless of whether they receive combined or separate bills)are more positive with 59% of them finding the proposals acceptable, compared to just half (50%) of those without meters.
- Amongst those receiving combined bills and with water meters, those who either had a meter already installed in the property when they moved in or those who opted to have a meter installed are more accepting of the proposals when compared to those who felt they had no choice to have a meter (60% and 61% vs 49% respectively)
- Older customers receiving combined bills are more positive, with nearly two thirds (64%) of the oldest age group (over 75 years of age) finding the proposals acceptable.

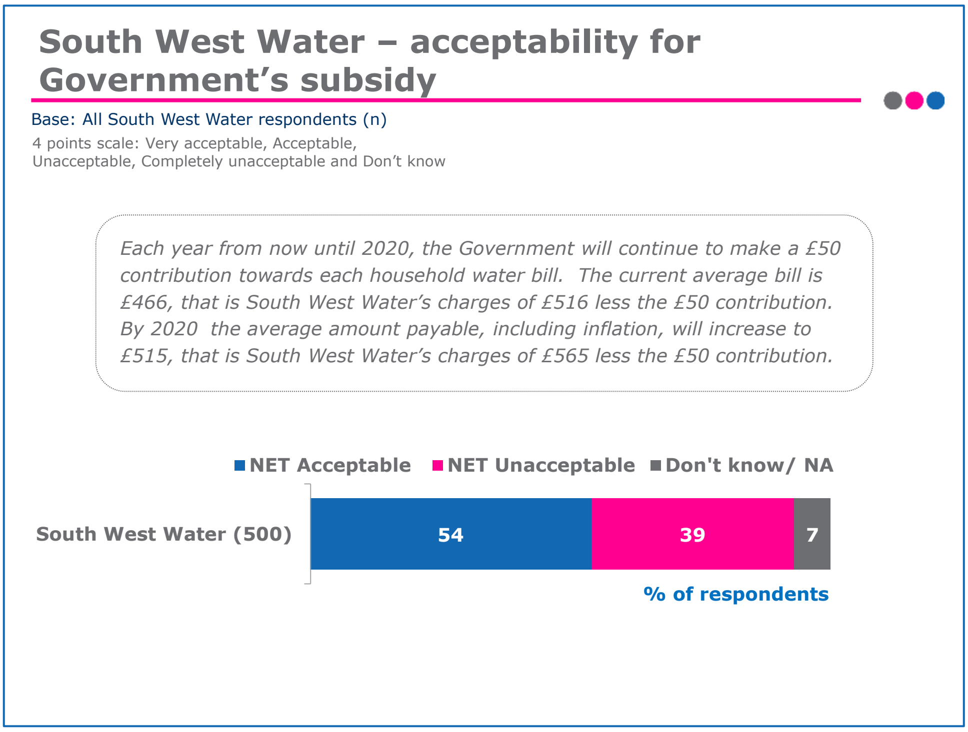
- There are no differences to note between age or vulnerability groups for the separate bills for either the water bill or the sewerage bill proposals.

4.3 South West Water

4.3.1 South West customers only were asked how acceptable they found the proposals in light of the government's contribution of £50 towards their household water bill each year from now until 2020 (see chart below).

4.3.2 Just over half of South West customers (54%) find this acceptable while just under two fifths (39%) do not. This compares to the 44% acceptability of South West customers when initially asked uninformed acceptability (2).

Figure 15: South West - Acceptability of Government's subsidy



- There are few differences to note between any sub groups within South West customers, suggesting that these levels of acceptance are consistent, regardless of age, income, or whether they are metered or unmetered.
- There is, however, a noticeable difference between the SEC groups, with those in SECs 1 and 2 finding the proposal more acceptable than those in SEC 4/5 (56% and 58% respectively vs 40%).
- Those with a long term illness also find the proposal less acceptable than those without a longer term illness (46% unacceptable vs 35%).

5. Informed Acceptability

Respondents were introduced to the informed acceptability section with some text explaining what this section was about (Appendix 5). They were then shown detailed information on the water service levels that each water company is planning to provide for the period 2015 to 2020, along with the associated year by year monetary (£) proposed price changes [Appendix 6]. This was followed by detailed information on the sewerage service levels that each sewerage service provider is planning to provide for the period 2015 to 2020, along with the proposed year on year monetary (£) price changes [Appendix 6]. The monetary prices changes included the forecast of inflation.

Those who receive combined bills were also shown other service areas that water companies plan to improve or maintain along with the combined year on year effect on their average bill [Appendix 6].

At each stage, respondents were asked how acceptable they found the proposed plans, and the reasons why they found the proposals either acceptable or unacceptable.

Summary:

Water company - WaSCs	Informed Water	Informed Sewerage	Informed combined bill
Total	67	64	59
Total WaSCs	65	63	58
Total WoCs	71	66	64

- Once informed, around two thirds of respondents find the water bill proposals to be acceptable, with little difference between WaSC and WoC customers.
- About the same proportion also find the sewerage bill proposals to be acceptable.
- Even though the combined bill is no more than the sum of the water bill and the sewerage bill (which respondents have already seen separately), perhaps because they see a bigger number, they find this less acceptable and so acceptability drops slightly to X%.
- WoC customers are generally more accepting of the proposals.
- Northumbrian, South West, Thames and South Staffs customers are less accepting of all proposals, from uninformed 1 to informed.

Summary (cont):

- As seen with uninformed acceptability, there is a correlation between household income and acceptability, with those with higher household incomes being more accepting of the proposals, and those with lower household incomes being less accepting. Again, there is a similar correlation between SEC group and acceptability.
- Also, those with water meters tend to be more accepting of the proposals.
- Key reasons for accepting the proposals are the same across the water, sewerage and combined proposals:
    - Plans seem to focus on the right things;
    - Customers support what the companies are trying to do in the long term;
    - Companies provide a good service and it looks as if it will continue.
- Key reasons for not accepting the proposals are also the same across the water, sewerage and combined proposals:
    - It is already too expensive / it will still be too expensive;
    - Company profits are too high already.
- Reasons accepting and not accepting are similar across WaSCs and WoCs.

5.1 Informed acceptability: water supply proposals

5.1.1 Overall, just over two thirds (67%) of all customers find the water supply proposals to be acceptable, with just one quarter (24%) finding them unacceptable. WoC customers display a greater level of acceptability with nearly three quarters of customers (71%) finding the water proposals acceptable. This is significantly higher than acceptability amongst WaSC customers (65%).

Figure 16: Informed acceptability of water services proposals (WaSCs)

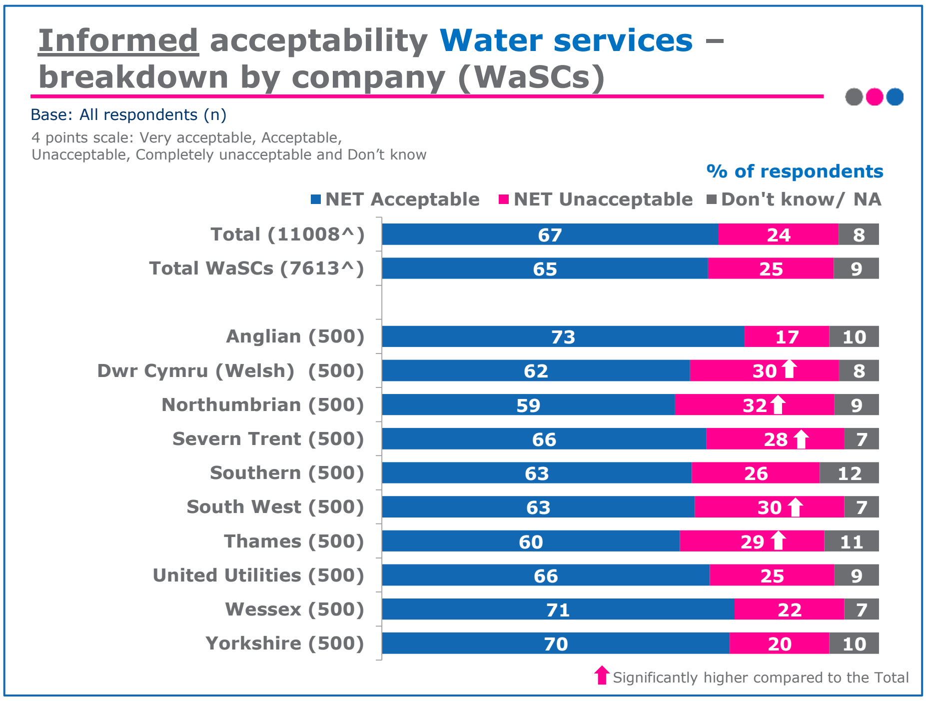
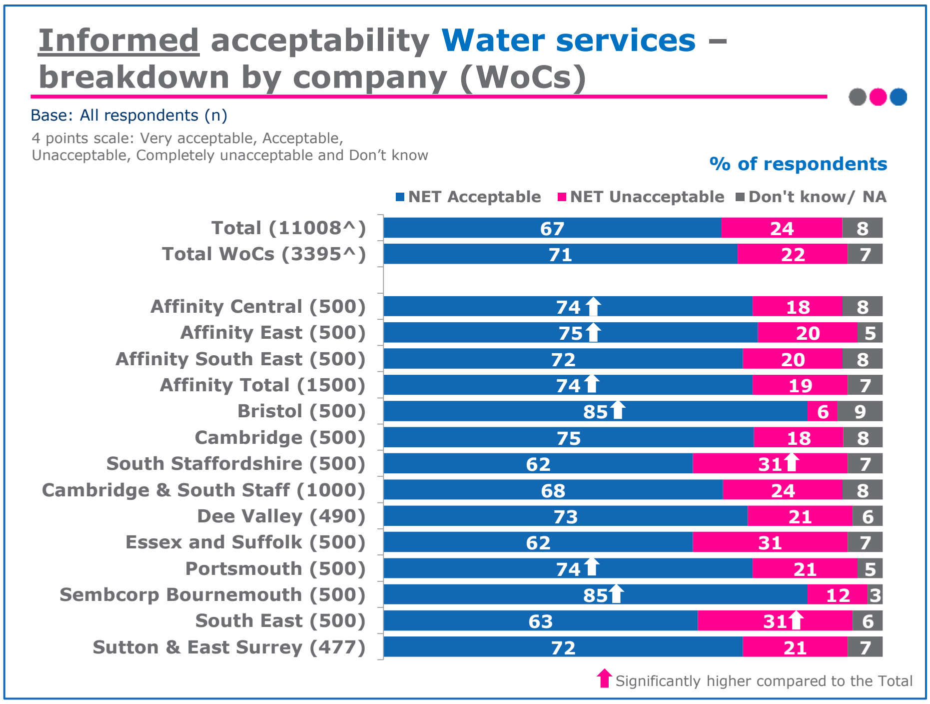


Figure 17: Informed acceptability of water services proposals (WoCs)



- Customers in half of the WaSCs find the water proposals more unacceptable when compared to the total (unacceptable: Welsh 30%, Northumbrian 32%, Severn Trent 28%, South West 30%, Thames 29% vs total 24%).
- In terms of Welsh Water and Severn Trent Water, these higher levels of unacceptability could be correlated to higher levels of increases in water prices (£30+ over the AMP compared to under £30 for most of the other WaSCs).
- Unacceptability levels amongst South West customers are likely to be driven by significantly higher than average levels of customers who think the current bill is too high (71% of South West customers agree that water bills are too high, compared to an average of 53%).
- For Northumbrian customers, significantly higher levels of lower income customers could be driving unacceptability levels (18% of customers have household incomes of less than £10,000 compared to an average of 11%), but for Thames customers there is nothing in the data which could be linked with the higher than average levels of unacceptability. Although revealingly, among those receiving sewerage from Thames Water, there is a greater acceptability of the water proposals amongst WoC customers than those who receive water from Thames Water (Affinity Central 73%, South East 71%, Sutton and East Surrey 68% vs Thames 60%).
- As with the uninformed acceptability measure, among the customers who receive sewerage from Anglian Water, there is less acceptability of the water proposals amongst those who receive water from Essex and Suffolk Water than all others (Essex and Suffolk 63% vs Affinity Central 76%, Affinity East 75%, Cambridge 75%, and Anglian 73%).
- Customers in five of the WoCs display higher levels of acceptability when compared to the total (acceptable: Affinity Central 74%, Affinity East 75%, Bristol 85%, Portsmouth 74%, Bournemouth 85% vs total 67%), with just two WoCs finding the proposals significantly more unacceptable (unacceptable: South Staffs 31%, South East 31% vs total 24%). Indeed, amongst those who receive sewerage from Southern Water, there is lower acceptability of the water proposals amongst those who receive water from South East Water compared to most of the others (South East 61% vs Affinity South East 72%, Bournemouth 89%, Portsmouth 74%, Sutton and East Surrey 82%).
- In two of the WoC areas (Affinity East and Bristol) water bills are forecast to go down in monetary terms, and this is likely to be driving acceptability levels.
- Overall, Cambridge and South Staffs' customers have an acceptability level similar to the total, however acceptability levels between the two water companies are very different with a 13% difference between the two (overall Cambridge/South Staffs acceptability is 68%, while for Cambridge it is 75% and for South Staffs 62%). This could be linked to higher than average numbers of South Staffs customers saying that their income will not keep with the cost of living.
- Acceptability for all three Affinity areas combined is significantly higher than the average (overall Affinity acceptability 74% vs total 67%), with little difference between

the three Affinity Water areas (Affinity Central 74%, Affinity East 75% and Affinity South East 72%).

- As seen with previous acceptability questions, there is a correlation between household income and acceptability, with more of those who have a lower household income finding the proposals unacceptable (unacceptable: household income of less than £10,000 34% vs household income of over £50,000 15%), and more of those with a higher household income finding the proposals acceptable (acceptability: household income of more than £50,000 80% vs household income of less than £10,000 56%).
- There is similar correlation with SEC, where those in a higher SEC have greater acceptability than those in lower SECs (SEC1 73% acceptability vs SEC 4/5 60%).
- Customers who have water meters have a higher level of acceptability when compared to those without water meters (71% vs 64%).
- Meter optants and those who moved into a property which already had a meter are more accepting of the proposals, compared to those who were compulsorily metered (75% and 71% vs 60% respectively).
- Customers who have no long term illness are more accepting of the proposals when compared to those who have a long term illness themselves, or have someone in the household with a long term illness (68% vs 66% and 63% respectively).
- There is also greater acceptability amongst older customers when compared to the younger age groups (customers aged 75+ years 72% acceptability vs 67% amongst those aged 18-29).

5.1.2 Reasons behind acceptability

- The 67% of customers who found the water services proposals acceptable were asked why. The top two reasons for the proposals being acceptable are that the plans seem to focus on the right things, with just over a third giving this reason (35%), and that they support what the water companies are trying to do in the long run, with just under a third giving this reason (31%).

Table 8: Reasons for accepting the water services proposals (WaSCs)

Reasons for accepting Water services proposal – breakdown by company (WaSCs)

Base: All respondents who have said the proposal is acceptable (n)

% of respondents

	Total (7402^)	WaSC (4981^)	Anglian (365)	Dwr Cymru (Welsh) (311)	Northumbrian (293)	Severn Trent (328)	Southern (313)	South West (314)	Thames (300)	United Utilities (331)	Wessex (355)	Yorkshire (351)
Their plans seem to focus on the right things	35	35	38	32	36	32	40	36↑	33	32	40↑	40
I support what they are trying to do in the long term	31	32	30	39↑	40↑	29	37↑	35	29	31	30	31
The company provide a good service now and it looks as if it will continue	29	30	25	31	28	34	27	25	23	36↑	31	31
There is little or no change to my bill	23	23	24	22	18	21	21	26	25	24	28	20
The plan is good value for money	19	17	20	17	14	20	12	12	18	14	16	21
Compared to energy prices it's cheaper	20	21	21	19	24↑	22	21	20	24↑	21	14	17
I don't really understand it but I trust them to do what's best for customers	12	12	12	14	12	13	12	10	12	13	10	11
I have been dissatisfied with the service recently but am pleased that they are making improvements	4	5	4	5	3	5	7↑	6	5	4	5	3
Other	1	1	1	0	3	2	1	3	1	1	2	1

↑ Significantly higher compared to the Total

Table 9: Reasons for accepting the water services proposals (WoCs)

Reasons for accepting Water services proposal – breakdown by company (WoCs)

Base: All respondents who have said the proposal is acceptable (n)

% of respondents

	Total (7402^)	WoC (2421^)	Affinity Central (370)	Affinity East (375)	Affinity South East (361)	Affinity Total (1106)	Bristol (427)	Cambridge (373)	South Staffs. (310)	Camb & South Staffs. (683)	Dee Valley (359)	Essex and Suffolk (308)	Portsmouth (370)	Sembcorp Bournemouth (427)	South East (316)	Sutton & East Surrey (343)
Their plans seem to focus on the right things	35	34	29	37	27	31	37	30	38	34	35	35	36	41↑	37	32
I support what they are trying to do in the long term	31	29	28	26	24	26	27	22	34	27	30	24	32	30	33	33
The company provide a good service now and it looks as if it will continue	29	29	28	30	18	25	28	33	35↑	34↑	31	30	35↑	29	23	29
There is little or no change to my bill	23	24	23	18	35↑	25	17	26	17	22	26	24	23	31↑	24	27
The plan is good value for money	19	23	22	31↑	19	24↑	30↑	28↑	20	25↑	25↑	20	19	27	18	22
Compared to energy prices it's cheaper	20	20	21	17	18	19	19	19	20	20	16	27	17	14	21	20
I don't really understand it but I trust them to do what's best for customers	12	12	15↑	9	12	12	12	15↑	10	13	11	10	12	8	13	10
I have been dissatisfied with the service recently but am pleased that they are making improvements	4	3	4	2	4	3	3	2	2	2	2	3	3	0	5	1
Other	1	1	1	2	1	1	2	1	2	1	1	4	3	1	0	1

↑ Significantly higher compared to the Total

- In terms of the WaSCs, more WaSC than WoC customers state that they are pleased that the companies are making improvements, because they have been dissatisfied with the service recently (5% vs 3%).
- In terms of the WoCs, more WoC customers than WaSc customers state that they find the plans acceptable because they are good value for money (WoC customers 23% vs

WaSC 17%). Also, more WoC customers than average state that they are acceptable because there is little or no change to their bill (WoC customers 24% vs total 23%)18.

- More older customers than younger customers find the proposals acceptable because the water company provides a good service currently and it looks as if they will continue to do so (60-74 34%, 75+ years 41% vs 18-29 23%).
- As highlighted by the question testing respondent awareness of company responsibility for services, younger customers (18-29 years) perhaps display a lack of awareness because more of this age group, when compared to the total, state that they don't really understand the proposals, but they do trust the water company to do what is best for their customers (16% give this answer vs 12% total).
- This reason was also selected more by those in the lower household income brackets when compared to the average and also when compared to the higher household income brackets (household income of less than £10,000 18%, £10,000 to £19,999 14% vs total 12% and household income of £50,000+ 8%); and by those in SEC3 and SEC4/5 (14% and 18% respectively).
- Significantly more metered customers than unmetered find the plans acceptable because they view them as being good value for money (20% vs 18% unmetered customers); and within metered customers, those who opted for a meter to be installed select this reason significantly more than those who state that they had no choice in having a meter (22% vs 15%).
- This reason was also selected by more of those who have a person in the household with a long term illness, when compared to those who do not have a household member with a long term illness (23% vs 19%).

5.1.3 The 24% of customers who found the water services proposals unacceptable were asked why. The two most selected reasons for not accepting the water services proposals are that water services are already too expensive and will still be too expensive (58%), and that company profits are already too high (43%).

[18] Significant difference due to sample size, even though it's just 1%.

Table 10: Reasons for not accepting the water services proposals (WaSCs)

Reasons for not accepting Water services proposal – breakdown by company (WaSCs)

Base: All respondents who have said the proposal is unacceptable (n)

% of respondents

	Total (2678^)	WaSC (1938^)	Anglian (87)	Dwr Cymru (Welsh) (149)	Northumbrian (160)	Severn Trent (138)	Southern (129)	South West (151)	Thames (143)	United Utilities (125)	Wessex (108)	Yorkshire (101)
Already too expensive/ It will still be too expensive	58	57	57	68↑	52	62	59	71↑	43	58	60	54
Company profits too high already	43	44	46	37	44	40	47	39	41	50↑	46	49
I expect better improvements for these prices	17	17	18	18	21	12	16	18	21	13	21	17
The plan is poor value for money	15	16	13	23↑	14	17	12	10	18	16	10	16
The company should be investing in their services as well as customers	10	9	14	5	8	11	11	5	10	3	11	13
Generally expect bigger service improvements	7	6	5	8	8	7	9	8	7	5	7	5
Compared to energy prices it is more expensive	8	9	6	9	9	9	9	5	9	11↑	7	5
I am dissatisfied with current services & expected greater improvements	6	6	10	1	9	8	5	9	6	5	3	5
Other	6	5	3	3	6	1	7	7	8	3	6	9

↑ Significantly higher compared to the Total

Table 11: Reasons for not accepting the water services proposals (WoCs)

Reasons for not accepting Water services proposal – breakdown by company (WoCs)

Base: All respondents who have said the proposal is unacceptable (n)

% of respondents

	Total (2678^)	WoC (740^)	Affinity Central (88)	Affinity East (102)	Affinity South East (100)	Affinity Total (290)	Bristol (28)	Cambridge (88)	South Staffs. (154)	Camb & South Staffs (242)	Dee Valley (101)	Essex and Suffolk (155)	Portsmouth (104)	Sembcorp Bournemouth (60)	South East (153)	Sutton & East Surrey (100)
Already too expensive/ It will still be too expensive	58	61	50	77↑	68	66	54	67	59	62	75↑	59	59	73↑	58	61
Company profits too high already	43	40	35	33	38	36	32	31	49	42	43	37	42	40	41	45
I expect better improvements for these prices	17	18	20	18	14	17	25	8	15	12	10	22	19	22	20	24
The plan is poor value for money	15	11	11	11	9	10	11	16	12	13	20↑	8	4	12	14	7
The company should be investing in their services as well as customers	10	11	13	3	13	9	18	7	12	10	9	11	24↑	13	7	12
Generally expect bigger service improvements	7	10	15↑	6	6	9	0	9	7	8	3	12	16↑	10	12	8
Compared to energy prices it is more expensive	8	5	5	6	5	5	4	7	5	5	6	6	3	0	6	3
I am dissatisfied with current services & expected greater improvements	6	7	8	6	7	7	4	3	3	3	7	10	9	2	8	11
Other	6	8	7	7	2	5	7	13	15	14	6	5	5	2	7	11

↑ Significantly higher compared to the Total

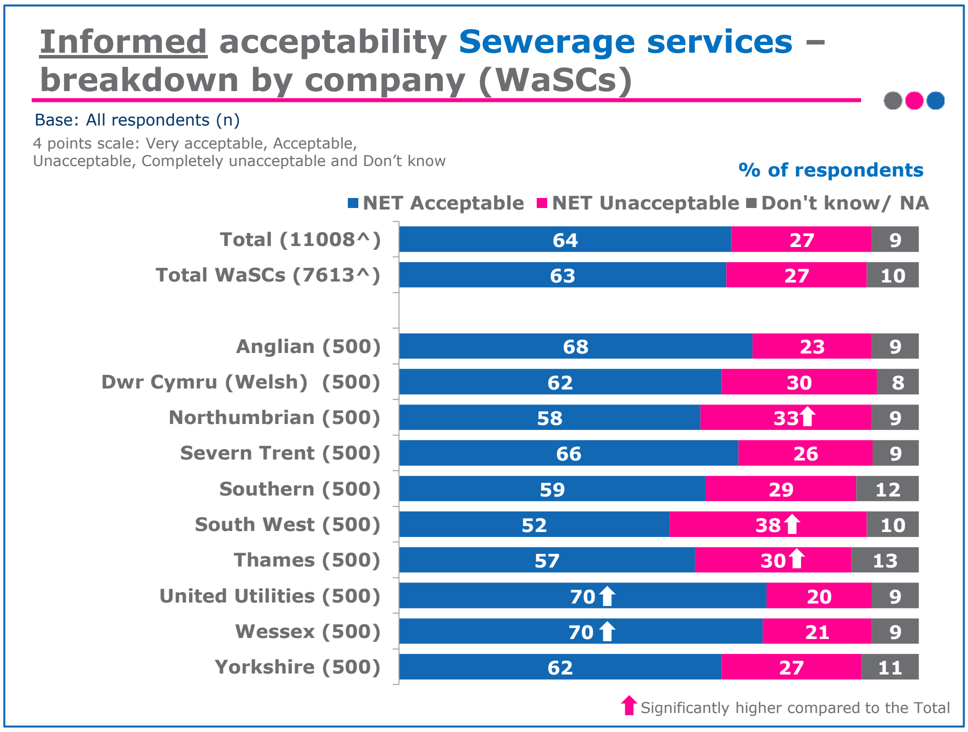
- Customers of Welsh Water and South West Water feel that water is already too expensive and will continue to be too expensive (68% and 71% vs 58%). For South West Water, this ties in with customers in this area having the highest average current bill in England and Wales.

- WoC customers are significantly more likely to state that water is already too expensive/it will continue to be too expensive (61% vs total of 58% across the total sample) and that they expect bigger service improvements (10% vs 7%).
- More WaSC than WoC customers state that they find the plans unacceptable because the plan is poor value for money (16% vs 11%).
- When compared to the younger age groups, significantly more of those in the 75+ age group feel that water is already too expensive and will continue to be so (67% vs 18-29 year olds 55%). When compared to younger customers, older customers also generally feel that company profits are already too high – only a third (32%) of 18-29 year olds select this reason, which is significantly less than every other age group (30-44 years 40%; 45-59 years 48%; 60-74 years 49%; 75+ 49%).
- Household income seems to be less of a factor in the reasons given for finding the proposals unacceptable with no clear trends being obvious.

5.2 Informed acceptability: sewerage service proposals

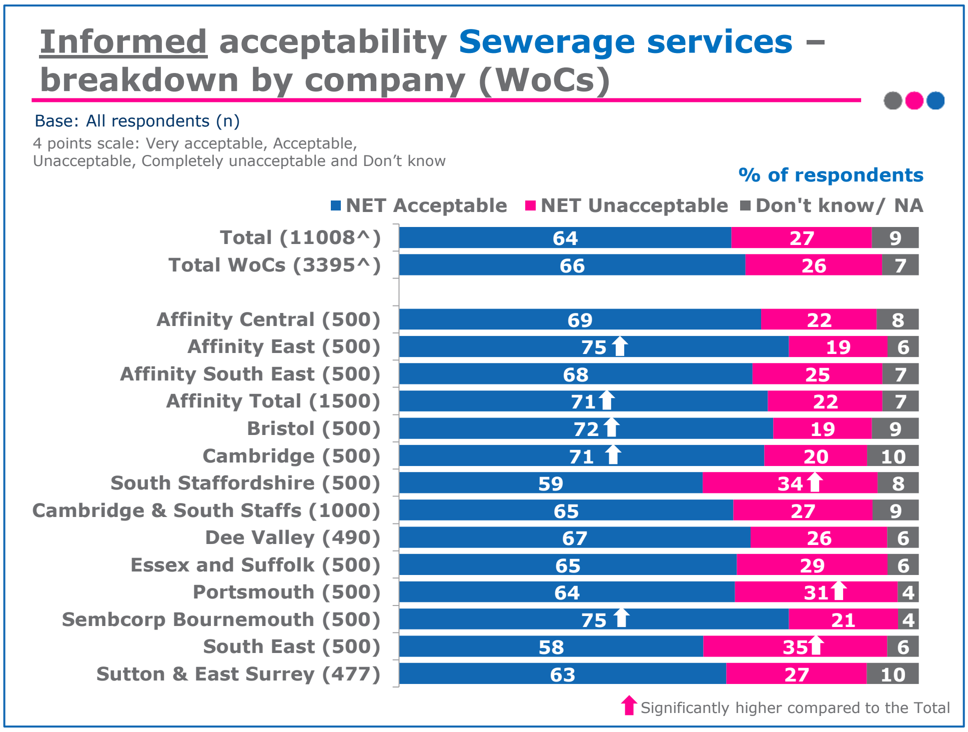
5.2.1 Acceptability of the sewerage services proposals is 64%, slightly lower than for the water services proposals (67%). As with the water proposals, acceptability is significantly higher amongst WoC customers when compared to the WaSC customers (66% vs 63%).

Figure 18: Informed acceptability of sewerage service proposals (WaSCs)



- Customers in three of the WaSC regions find the sewerage proposals more unacceptable when compared to the total (unacceptable: Northumbrian 33%, South West 38% and Thames 30% vs total 27%), while customers in two of the WaSC regions find them more acceptable (acceptable: United Utilities 70%, Wessex 70% vs 64% total).
- The high level of unacceptability amongst Northumbrian customers, could be explained by their relatively low levels of household income (as mentioned previously, 18% of these customers have household incomes of less than £10,000 compared to an average of 11%), while the high levels of unacceptability of South West and Thames customers could be linked to the relatively large increase in their proposed sewerage prices (£50 and £41 respectively).
- Of those who receive sewerage from Thames Water, customers who receive water from Affinity Central and South East Water find the sewerage proposals more acceptable than those who receive water from Sutton and East Surrey and Thames Water (Affinity Central 67%, South East 71% vs Sutton and East Surrey 59%, Thames 57%).
- United Utilities have a relatively low sewerage price increase, which could explain their high acceptability; it is less clear, however, as to why Wessex customers have a high level of acceptability.

Figure 19: Informed acceptability of sewerage service proposals (WoCs)



- Customers in four of the WoC regions find the proposals more acceptable when compared to the total (Affinity East 75%, Bristol 72%, Cambridge 71% and Bournemouth 75% vs 64% total).
- This could be linked to the high acceptability levels with the WaSCs that provide the sewerage services for these water companies – high acceptability levels are seen with Anglian and with Wessex, which provide sewerage services for these WoCs.
- Once again, among those who receive sewerage from Anglian Water, more customers who receive water from Essex and Suffolk Water find the sewerage proposals unacceptable than others (Essex and Suffolk 28% vs Affinity Central 19%, Affinity East 19%, Cambridge 20%).
- Affinity total has a greater level of acceptability when compared to total (71% vs 64%), driven largely by Affinity East with 75% of its customers finding the proposals acceptable.
- Cambridge and South Staffs acceptability is similar to the total. However Cambridge customers have a higher level of acceptability when compared to the total and to South Staffs (71% acceptability vs total 64% and South Staffs 59%). South Staffs customers are also less accepting (34% find the proposals unacceptable vs total 27%).
- Of those who receive sewerage from Severn Trent Water, more customers who also receive water from Severn Trent Water find the sewerage proposals acceptable than those who receive water from South Staffordshire Water (Severn Trent 66% vs South Staffordshire 59%).
- Among those who receive sewerage from Southern Water, fewer customers who receive water from South East Water find the sewerage proposals acceptable than

most all others apart from those who receive water from Southern Water. (South East 55% vs Affinity South East 68%, Bournemouth 82%, Portsmouth 64%, Sutton and East Surrey 73%).

- As with the water proposals, there is a correlation between acceptability and household income, with acceptability increasing in line with household income (household income of £50,000+ 76% acceptability vs. household income of less than £10,000 52% acceptability).
- There is also a correlation between SEC and acceptability with customers in higher SECs having greater acceptability (SEC 1 acceptability 70% vs SEC 4/5 55%), while conversely, those in lower SECs have more people saying that the proposals are unacceptable (SEC 4/5 unacceptable 30% vs SEC 1 24%).
- As with the water proposals, customers with water meters have a higher level of acceptability than unmetered customers (68% vs 61%).
- Amongst metered customers, acceptability is greater amongst meter optants and those who moved into a property which already had a meter installed compared to those who were compulsorily metered (69% and 68% vs 60% respectively).
- Customers who have a long term illness find the proposals more unacceptable than those who do not have a long term illness (29% vs 26%).

5.2.2 The 64% of customers who found the sewerage services proposals acceptable were asked why. Main reasons for accepting the sewerage services proposals are the same as those cited in relation to the water proposals, namely that the plans seem to focus on the right things, with just under two fifths (39%) giving this reason, and that customers support what they are trying to do in the long run, with just over a third (34%) giving this reason.

Table 12: Reasons for accepting the sewerage service proposals (WaSCs)

Reasons for accepting Sewerage services proposal – breakdown by company (WaSCs)

Base: All respondents who have said the proposal is acceptable (n)

% of respondents

	Total (7054^)	WaSC (4804^)	Anglian (339)	Dwr Cymru (Welsh) (309)	Northumbrian (288)	Severn Trent (328)	Southern (296)	South West (259)	Thames (285)	United Utilities (350)	Wessex (350)	Yorkshire (311)
Their plan seems to focus on the right things	39	39	40	40	34	42	39	41	36	39	41	41
I support what they are trying to do in the long term	34	34	32	35	37	31	36	41↑	33	35	33	37
The company provide a good service now and it looks as if it will continue	26	25	25	25	32↑	23	24	22	22	27	25	29
There is little or no change to my bill	21	21	21	21	16	20	19	20	21	25↑	22	22
The plan is good value for money	21	21	19	19	19	25	16	17	21	20	19	22
Compared to energy prices it's cheaper	16	16	17	19	19	17	17	12	16	16	11	16
I don't really understand it but I trust them to do what's best for customers	11	11	11	11	10	12	12	7	14	10	16↑	10
I have been dissatisfied with the service recently but am pleased that they are making Improvements	3	3	3	4	2	3	7↑	7↑	3	1	3	3
Other	1	1	1	0	2	1	1	3	1	1	1	2

↑ Significantly higher compared to the Total

Table 13: Reasons for accepting sewerage service proposals (WoCs)

Reasons for accepting Sewerage services proposal – breakdown by company (WoCs)

Base: All respondents who have said the proposal is acceptable (n)

% of respondents

	Total (7054^)	WoC (2251^)	Affinity Central (345)	Affinity East (374)	Affinity South East (341)	Affinity Total (1060)	Bristol (358)	Cambridge (353)	South Staffs. (293)	Camb & South Staffs (646)	Dee Valley (329)	Essex and Suffolk (323)	Portsmouth (322)	Sembcorp Bournemouth (377)	South East (292)	Sutton & East Surrey (300)
Their plan seems to focus on the right things	39	40	38	39	30	36	44	33	39	36	40	43	44	46↑	42	39
I support what they are trying to do in the long term	34	33	29	29	26	28	32	23	32	27	36	36	41↑	40↑	38	35
The company provide a good service now and it looks as if it will continue	26	26	26	26	16	23	26	33↑	30	32↑	29	26	27	28	21	25
There is little or no change to my bill	21	20	19	16	31↑	22	20	20	19	20	22	16	20	22	22	18
The plan is good value for money	21	21	23	33↑	18	25↑	18	27↑	22	24↑	21	20	15	22	14	23
Compared to energy prices it's cheaper	16	16	17	14	17	16	17	21↑	17	19↑	12	18	11	15	18	18
I don't really understand it but I trust them to do what's best for customers	11	11	14	8	11	11	10	12	12	12	9	12	13	8	11	12
I have been dissatisfied with the service recently but am pleased that they are making Improvements	3	3	5↑	1	3	3	3	1	1	1	4	4	3	1	6↑	2
Other	1	1	1	1	1	1	1	1	2	2	1	3	3	1	1	1

↑ Significantly higher compared to the Total

- There are no significant differences in the reasons chosen by WaSC customers and by WoC customers for why they find the proposals to be acceptable.
- As with the water proposals, older customers (60-74 and 75+) are more likely to accept the sewerage proposals because they consider that the companies provide a

good service now and that they will continue to do so (29% and 35% respectively vs 26% across the total sample). They are also more likely to select this reason than the younger customers (just 23% of 18-29 year olds chose this reason).

- Similar to the water proposals, more of those in SEC 3 and 4/5 accept the sewerage proposals because, although they don't understand it, they trust the water companies to do what is best for the customers. 13% of customers in SEC3 and 15% of customers in SEC 4/5 select this reason, compared to 11% across the total sample and 8% of those in SEC 1.
- Customers in the lowest income bracket also choose this reason more when compared to those with higher household incomes (household income of less than £10,000 16% vs household income of £50,000+ 8%).

5.2.3 The 27% of customers who found the sewerage services proposals unacceptable were asked why. The main reasons were the same as for the water supply proposals, i.e. sewerage services are already too expensive and will continue to be too expensive (56%), and company profits are already too high (40%).

Table 14: Reasons for not accepting sewerage service proposals (WaSCs)

Reasons for not accepting Sewerage services proposal – breakdown by company (WaSCs)

Base: All respondents who have said the proposal is unacceptable (n)

% of respondents

	Total (2933^)	WaSC (2041^)	Anglian (114)	Dwr Cymru (Welsh) (151)	Northumbrian (165)	Severn Trent (129)	Southern (145)	South West (191)	Thames (152)	United Utilities (102)	Wessex (104)	Yorkshire (133)
Already too expensive/ it will still be too expensive	56	55	50	66	47	64	50	63	47	52	55	59
Company profits too high already	40	40	41	33	39	39	41	42	41	44	43	40
I expect better improvements for these prices	19	19	23	19	30↑	17	21	17	15	16	21	17
The plan is poor value for money	18	19	18	24↑	11	18	17	19	21	25↑	14	19
Generally expect bigger service improvements	9	8	11	9	15	9	11	6	6	4	10	7
The company should be investing in their services as well as customers	10	9	11	7	9	9	13	7	11	8	10	8
I am dissatisfied with current services and expected greater improvements	7	7	9	7	8	6	10	7	7	8	8	6
Compared to energy prices it is more expensive	6	6	7	7	7	2	4	8	7	7	12↑	7
Other	5	4	2	4	6	3	4	4	5	3	3	5

↑ Significantly higher compared to the Total

Table 15: Reasons for not accepting sewerage service proposals (WoCs)

Reasons for not accepting Sewerage services proposal – breakdown by company (WoCs)

Base: All respondents who have said the proposal is unacceptable (n)

% of respondents

	Total (2933^)	WoC (892^)	Affinity Central (112)	Affinity East (94)	Affinity South East (124)	Affinity Total (330)	Bristol (95)	Cambridge (98)	South Staffs. (168)	Camb & South Staffs (266)	Dee Valley (126)	Essex and Suffolk (145)	Portsmouth (155)	Sembcorp Bounremouth (103)	South East (175)	Sutton & East Surrey (129)
Already too expensive/ it will still be too expensive	56	59	45	83↑	66	64↑	45	70↑	63	65↑	72↑	59	58	72↑	55	46
Company profits too high already	40	39	36	30	38	35	29	31	46	41	38	43	36	33	41	53↑
I expect better improvements for these prices	19	20	29↑	15	8	17	33↑	13	16	15	13	16	25	21	22	22
The plan is poor value for money	18	14	20	7	13	14	13	14	17	16	18	11	8	17	16	6
Generally expect bigger service improvements	9	11	11	10	10	10	16	11	10	10	6	10	19↑	14	13	10
The company should be investing in their services as well as customers	10	10	8	5	11	8	11	3	7	5	13	17	14	7	9	20↑
I am dissatisfied with current services and expected greater improvements	7	7	8	7	6	7	7	3	6	5	6	4	14↑	4	9	7
Compared to energy prices it is more expensive	6	6	5	7	7	7	11	4	4	4	6	6	5	8	6	3
Other	5	6	6	5	2	4	7	13	10	11	4	6	3	1	4	11

↑ Significantly higher compared to the Total

- When compared to WaSC customers, more WoC customers state that, generally, they expected bigger service improvements (11% vs 8%).
- More customers aged over 75 state that they don't accept the proposals because the sewerage bill is already too expensive/will still be too expensive when compared to younger customers (65% vs 18-29 year olds 49%), similar to how they felt about the

water proposals. More older than younger customers also feel that company profits are already too high (50% of 75+ customers vs 28% of 18-29 year olds).

- Conversely, more younger customers state that the proposals are poor value of money (23% of 18-29 year olds vs 12% of 75+).
- There are no noticeable trends between household income and reasons for not accepting the water proposals, however for the sewerage proposals more of those with lower household incomes state that they do not accept the sewerage proposals because sewerage services are already too expensive and will still be too expensive (household income of less than £10,000 57% vs. household income of £50,000+ 43%).

5.3 Informed acceptability: combined water & sewerage proposals

After being asked about their acceptability of the water proposals and sewerage services proposals separately, those who receive water and sewerage bills together were shown information on other service areas and combined water and sewerage bill changes. As before, they were asked how acceptable they found these proposals.

5.3.1 Of customers who receive one bill for both water and sewerage services, 59% find the combined proposals acceptable. Just under a third (32%) find them unacceptable, and the remainder state that they don't know. As with both the separate water and sewerage proposals, acceptability is higher amongst WoC customers when compared to the total (64% acceptability vs total 59%), and also when compared to the WaSC customers (58% acceptability).

Figure 20: Informed acceptability of combined proposals (WaSCs)

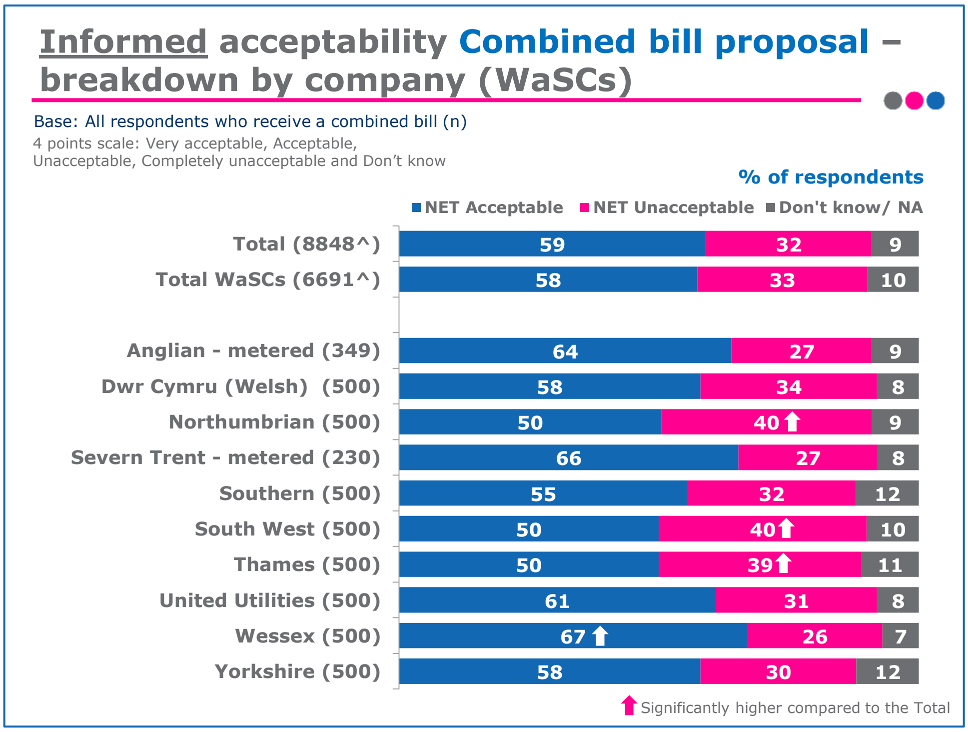
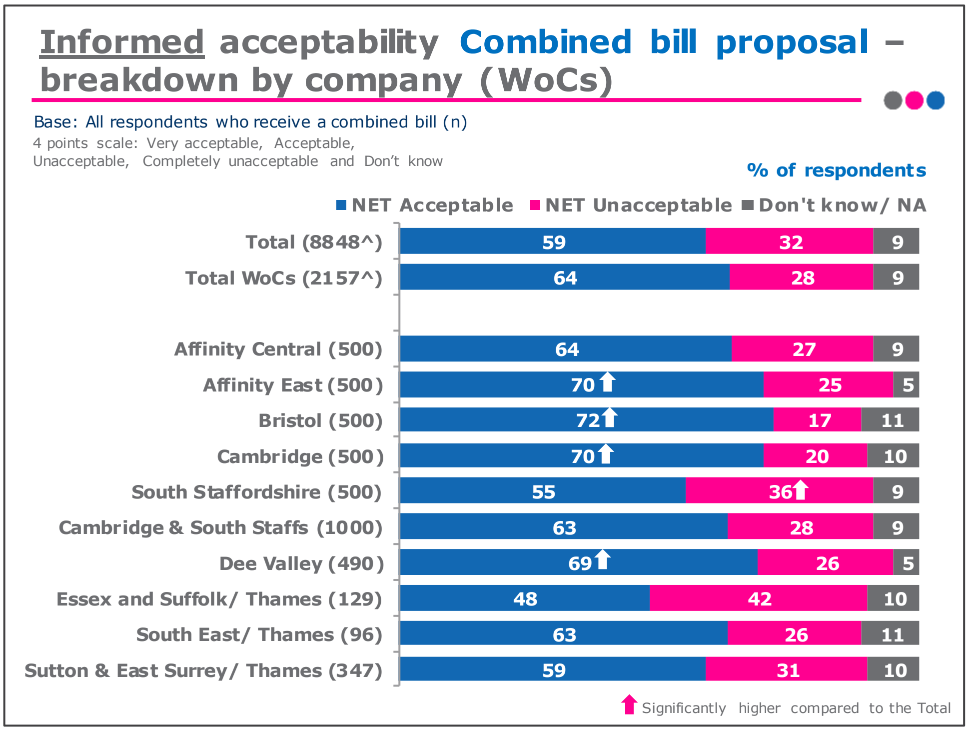


Figure 21: Informed acceptability of combined proposals (WoCs)



- Northumbrian, South West and Thames Water have significantly more customers stating that the combined proposals are unacceptable (40%, 40% and 39% respectively vs. total 32%).

5.3.2 Among those who receive sewerage from Thames Water, customers who receive water from Affinity Central, South East Water or Sutton and East Surrey Water are more likely to find the combined proposal acceptable than those who receive water from Essex and Suffolk Water or Thames Water (Affinity Central 62%, South East 63%m Sutton and East 59% vs Essex and Suffolk 48%, Thames 50%).

- Amongst the WoCs there are four water companies whose customers have a higher level of acceptability when compared to the total (Affinity East 70%, Bristol 72%, Cambridge 70% and Dee Valley 69% vs total 60%). Indeed, customers of Bristol, Cambridge and Dee Valley are more likely to find the combined bills acceptable than the customers of the WasCs providing their sewerage services.

5.3.3 Combined water and sewerage customers of Anglian Water are more likely to find the combined proposal unacceptable than those who receive water from Cambridge Water (Anglian 27% vs Cambridge 20%).

5.3.4 Of the customers who receive sewerage from Welsh Water, those who receive water from Dee Valley are more likely to find the combined proposal acceptable (Dee Valley 69% vs Welsh 58%).

5.3.5 Combined water and sewerage customers of Wessex Water are more likely to find the combined proposal unacceptable than those who receive water from Bristol Water (Wessex 26% vs Bristol 20%).

- Cambridge and South Staffs together have results which are not significantly different to the overall total (63% Cambridge & South Staffs vs 59% total) although Cambridge customers are significantly more accepting than the South Staffs customers (70% vs 55% acceptability). Similarly, South Staffs customers are less accepting of the proposals than Cambridge customers (unacceptable 36% vs Cambridge 20%).
- Customers who receive one bill for both water and sewerage services show the same correlations for acceptability as customers who receive services on two separate bills:
    - Those on lower incomes are less accepting (household incomes less than £10,000 40% unacceptable vs household incomes £50,000+ 25%) and those with higher household incomes are more accepting (household income £50,000+ 68% acceptable vs household income less than £10,000 47% acceptable).
    - Those in SEC 1 have a higher level of acceptability than those in lower SECs (SEC 1 65% acceptable vs 49% SEC 4/5) while those in SEC 4/5 are less accepting than those in SEC 1 (36% unacceptable vs 29%).
    - Customers with water meters are more accepting of the proposals when compared to those without (63% acceptable vs 55%). Again, amongst these people, there is a lower level of acceptability amongst customers who did not voluntarily opt for a water meter (56% acceptability amongst those who had no

choice, vs 65% optants and 63% those who moved into a property where there already was a meter).

5.3.6 The 59% of customers who found the combined services proposals acceptable were asked why. The main reasons are the same as for the separate water and sewerage proposals i.e. the combined plans seem to focus on the right things (37%), and that customers support what they are trying to do in the long run (35%).

Table 16: Reasons for accepting combined proposals (WaSCs)

Reasons for accepting Combined bill proposal – breakdown by company (WaSCs)

Base: All respondents who receive a combined bill and have said the proposal is acceptable (n)

% of respondents

	Total (5225^)	WaSC (3852^)	Anglian (222)	Dwr Cymru (Welsh) (290)	Northumbrian (252)	Severn Trent (151)	Southern (277)	South West (251)	Thames (249)	United Utilities (307)	Wessex (336)	Yorkshire (292)
Their plans seem to focus on the right things	37	37	39	32	38	40	37	41	32	39	37	36
I support what they are trying to do in the long term	35	36	39	40↑	37	38	39	38	39	33	33	34
The company provide a good services now and it looks as if it will continue	26	25	24	29	31	26	21	20	22	26	28	27
The plan is good value for money	22	21	25	20	17	23	17	16	20	21	18	25
There is little or no change to my bill	21	21	20	23	19	15	21	21	17	24	27↑	24
Compared to energy prices it's cheaper	16	16	15	15	16	14	16	12	20↑	17	14	16
I don't really understand it but I trust them to do what's best for customers	12	11	9	10	10	13	14	11	13	10	16↑	11
I have been dissatisfied with the service recently but am pleased that they are making improvements	3	3	3	4	3	2	8↑	6↑	3	2	3	2
Other	1	1	0	1	1	1	0	2	2	2	1	2

↑ Significantly higher compared to the Total

Table 17: Reasons for accepting combined proposals (WoCs)

Reasons for accepting Combined bill proposal – breakdown by company (WoCs)

Base: All respondents who receive a combined bill and have said the proposal is acceptable (n)

% of respondents

	Total (5225^)	WoC (1373^)	Affinity Central (320)	Affinity East (350)	Bristol (358)	Cambridge (348)	South Staffs. (277)	Camb & South Staffs (625)	Dee Valley (337)	Essex and Suffolk (62)	South East (60)	Sutton & East Surrey (204)
Their plans seem to focus on the right things	37	36	34	36	37	30	37	33	34	42	43	39
I support what they are trying to do in the long term	35	31	29	26	30	22	36	28	39	24	40	38
The company provide a good services now and it looks as if it will continue	26	27	27	31	27	30	28	29	25	15	22	30
The plan is good value for money	22	24	23	35↑	28	27	19	23	23	21	13	24
There is little or no change to my bill	21	22	20	19	22	26	20	23	25	16	30	19
Compared to energy prices it's cheaper	16	16	16	12	13	18	18	18↑	14	18	8	16
I don't really understand it but I trust them to do what's best for customers	12	12	15↑	7	11	15↑	13	14↑	9	18	12	11
I have been dissatisfied with the service recently but am pleased that they are making improvements	3	4	7↑	2	1	2	2	2	4	2	8↑	2
Other	1	1	1	1	2	1	3	2	1	2	0	1

↑ Significantly higher compared to the Total

- Across both WoC and WaSC customers, the most mentioned reason for acceptability is that the plans seem to focus on the right things (36% and 37% respectively select this reason). More WaSC than WoC customers, however, find the proposals acceptable because they support what the water company is trying to go in the long run (36% vs 31%), while significantly more WoC customers think that the plan is good value for money (24% vs 21%).
- Significantly more of those in the older age groups find the proposals acceptable because they feel that the company provides a good service and they feel that that will continue (30% of those in the 60-74 age group and 37% of those aged 75+ years vs 22% of those aged 18-29 and 20% of those aged 30-44).
- Once again, more customers in the lowest household income bracket state that they don't really understand the proposals but trust that the company will do its best for the customers (household income less than £10,000 19% vs household income £50,000+ 7%).

5.3.7 The 32% of customers who found the combined services proposals unacceptable were asked why this was. The main reasons for the combined proposals being unacceptable tally with those given for the separate water and sewerage proposals i.e. bills are already too expensive/it will still be too expensive (54%), and company profits are already too high (41%).

Table 18: Reasons for finding combined proposals unacceptable (WaSCs)

Reasons for not accepting Combined bill proposal – breakdown by company (WaSCs)

Base: All respondents who receive a combined bill and have said the proposal is unacceptable (n)

% of respondents

	Total (2788^)	WaSC (2189^)	Anglian (94)	Dwr Cymru (Welsh) (168)	Northumbrian (202)	Severn Trent (61)	Southern (162)	South West (200)	Thames (194)	United Utilities (153)	Wessex (131)	Yorkshire (150)
Already too expensive/ it will still be too expensive	54	54	47	64	50	57	56	67↑	51	50	55	53
Company profits already too high	41	41	41	34	43	41	49↑	44	40	41	41	43
I expect better improvements for these prices	18	17	14	17	24↑	11	20	19	18	13	17	19
The plan is poor value for money	18	19	22	25↑	11	20	15	13	18	23	18	19
The company should be investing in their services as well as their customers	10	10	12	5	12	15	11	9	10	11	9	9
Generally expect bigger service improvements	8	8	11	10	11	8	6	4	8	9	7	5
Compared to energy prices it is more expensive	6	7	4	5	4	7	6	8	7	10↑	8	6
I am dissatisfied with current services & expected greater improvements	5	5	5	7	6	5	4	7	6	6	5	3
Other	7	7	10	5	8	8	7	6	6	3	6	10

↑ Significantly higher compared to the Total

Table 19: Reasons for finding combined proposals unacceptable (WoCs)

Reasons for not accepting Combined bill proposal – breakdown by company (WoCs)

Base: All respondents who receive a combined bill and have said the proposal is unacceptable (n)

% of respondents

	Total (2788^)	WoC (599^)	Affinity Central (137)	Affinity East (124)	Bristol (87)	Cambridge (102)	South Staffs. (180)	Camb & South Staffs (282)	Dee Valley (127)	Essex and Suffolk (54)	South East (25)	Sutton & East Surrey (108)
Already too expensive/ it will still be too expensive	54	57	45	73↑	53	71↑	62	65↑	72↑	54	48	52
Company profits already too high	41	38	34	37	33	26	44	38	38	39	32	44
I expect better improvements for these prices	18	20	26↑	17	20	14	21	18	12	17	24	16
The plan is poor value for money	18	16	16	11	22	16	12	13	27↑	15	12	14
The company should be investing in their services as well as their customers	10	11	12	7	14	5	8	7	9	17	12	19↑
Generally expect bigger service improvements	8	9	12	7	8	10	8	9	6	7	12	11
Compared to energy prices it is more expensive	6	5	4	7	7	6	4	5	7	4	4	6
I am dissatisfied with current services & expected greater improvements	5	5	5	5	10↑	3	4	4	5	4	4	6
Other	7	9	8	5	3	11	12	11	7	2	20	11

↑ Significantly higher compared to the Total

- Across both WaSC and WoC customers, the most mentioned reasons for finding the proposals unacceptable are that water and sewerage services are already too expensive and will still be too expensive (54% and 57% respectively give this reason) and that company profits are already too high (41% and 38% respectively state this reason). This correlates with the reasons given for not accepting the separate water and sewerage bill proposals. No correlation was apparent between household income and the reason being given that bills are already too expensive/will still be too expensive. In contrast to this, for combined bills, significantly more customers who have a household income of less than £10,000 state that the proposals are unacceptable because bills are already too expensive/will still be too expensive, when compared to those who have household incomes above £20,000 (60% vs 50% income £20,000-£29,999, 51% £30,000-£49,99 & 42% £50,000+).

- As seen with the separate bills, more older customers state that water and sewerage services are already too expensive and will still be too expensive (75+ years 69% vs 18-29 years 50%).
- More of those with lower household incomes also state this reason when compared to those with higher household incomes (household income less than £10,000 60% vs household income of £50,000+ 42%). This is a correlation seen with the separate sewerage proposals but not with the water proposals.
- Among the customers who receive sewerage from Thames Water, those who receive water services from Sutton and East Surrey are more likely to say the company should be investing in their services as well as customers, than those who receive water from Thames Water (Sutton and East Surrey 19% vs Thames 10%).
- Of those who receive sewerage from Anglian Water, customers who receive water from Affinity East and Cambridge Water are significantly more likely than the others to find the combined proposal unacceptable because it is already too expensive / will be too expensive. (Affinity East 73%, Cambridge 71% vs Affinity Central 38%, Anglian Water 47%).
- Also amongst those who receive sewerage from Anglian Water, customers who receive water from Affinity Central are more likely than all others to find it unacceptable because they expect better improvements for these prices (Affinity Central 33% vs Affinity East 17%, Cambridge 14%, Anglian Water 14%).

6. Affordability

The following respondents were asked about the affordability of the proposed pricing changes for 2015-20:

- **Anyone with a combined bill who found the proposal unacceptable**
- **All customers with separate bills**

This equates to 45% of our sample. The remaining 55% were not asked about affordability. These respondents were customers receiving combined water and sewerage bills who had found the proposal acceptable. The assumption was made that they would have rejected the proposal had they not found it affordable.

Summary:

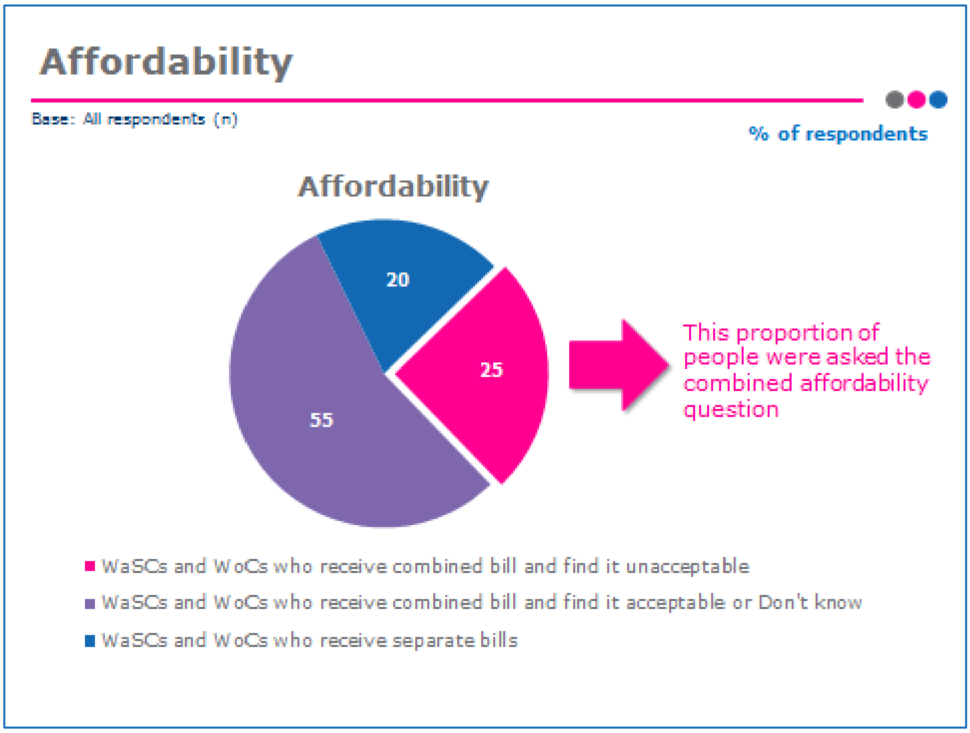
There were two elements to the affordability questions:

- 1) Affordability of combined proposals:
- Customers who receive a combined bill and who find the combined proposals unacceptable
  - Unsurprisingly, a large proportion of these people find the proposals unaffordable (60%)
  - There are no significant differences between the different WaSCs, but differences are apparent between the different WoCs
- 2) Affordability of separate water and sewerage bill proposals:
- Customers who receive separate bills:
  - Just over two fifths (42%) of these customers can afford the proposed water bills
  - A similar proportion (40%) can afford the proposed sewerage bills
    - 66% of total sample find proposals affordable

6.1 Affordability: combined proposals

6.1.1 Customers who receive combined bills and who say the combined water and sewerage proposals are unacceptable were asked how affordable they thought the proposals are – this is a quarter of the whole sample (figure 22).

Figure 22: Those asked about affordability of combined bill proposals



6.1.2 Not surprisingly, given that this audience have already stated that they find the combined proposals unacceptable, a significant proportion (60%) also disagree that the proposals are affordable, which is an indication that affordability is a strong influence on unacceptability. Just over 1 in 10 (12%) agree that the proposals are affordable while just over a quarter (27%) neither agree nor disagree. Results between WaSCs and WoCs are similar.

Figure 23: Affordability of combined bill proposals (WaSCs)

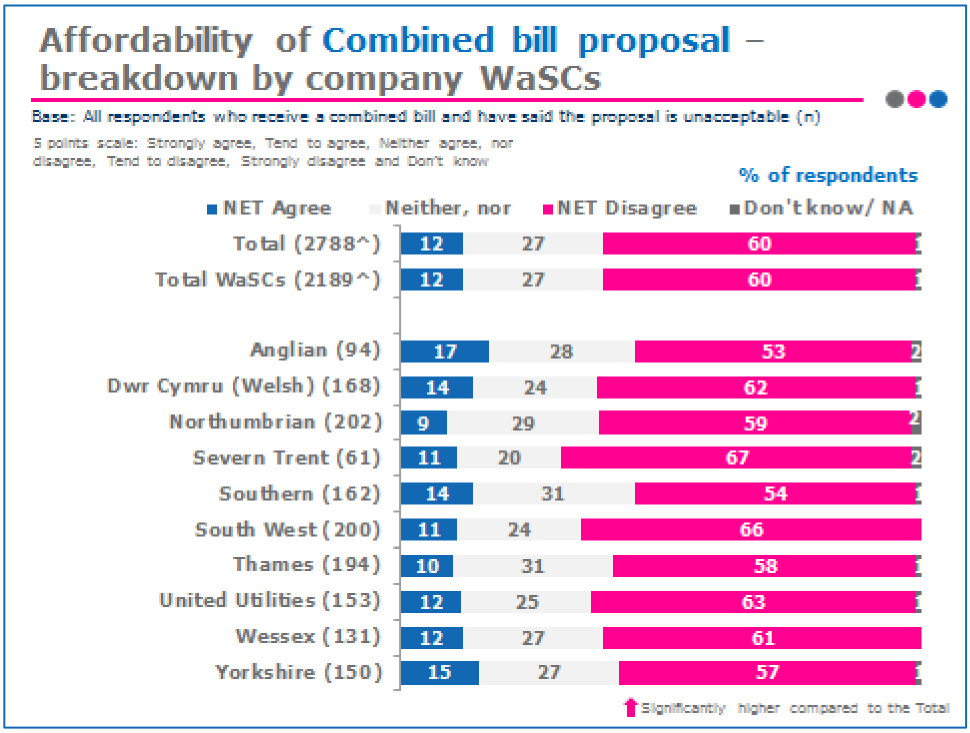
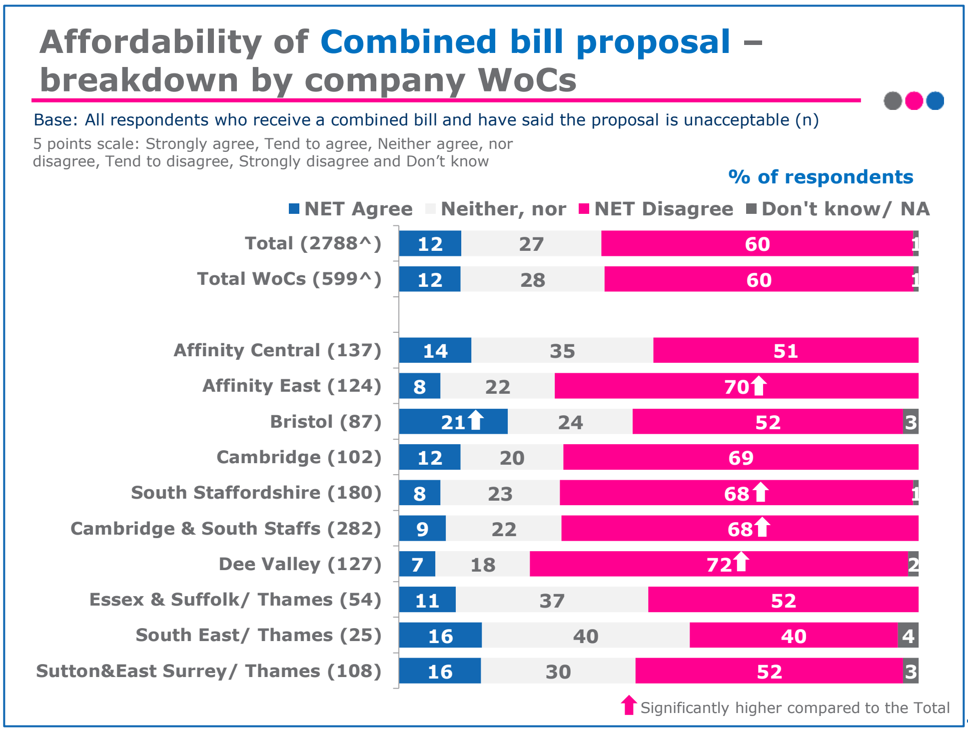


Figure 24: Affordability of combined bill proposals (WoCs)



- Bristol customers are the only ones that agree more than the average that the combined proposals are affordable (21% agree vs 12% average), while just three water companies have customers who disagree significantly more than the average, Affinity East (70% disagree vs 60% average), South Staffs (68% disagree) and Dee Valley (68% disagree).

- Even amongst customers who find the proposals unacceptable, there appears to be a correlation (already seen with the acceptability findings) between household income and affordability. Customers who have a higher household income are more likely to agree that the combined proposals are affordable (28% with a household income of £50,000+ agree compared to 14% and less for the other income subgroups); while those on a lower household income disagree more that the proposals are affordable (74% of those on a household income less than £10,000 disagree).
- Also similar to the acceptability results, customers in lower SEC groups agree less that the proposals are affordable (SEC 4/5 69% disagree vs SEC 1 51%) while those in the highest SEC have a greater level of agreement (SEC1 18% agree vs 11% or less for the other SECs).
- Customers with a household member with a long term illness (either self or someone else) tend to find the proposals less affordable compared to those who do not have such a person in the household (69% disagree vs 56% where no household member has a disability).
- Unmetered customers are more likely to disagree that the proposals are affordable than metered (64% vs metered 56%).
- WoC customers who receive a combined bill, and who find the combined bill proposal unaffordable (these customers are 3% of the whole sample) were then asked about the affordability of the separate water bill and sewerage bill proposals. The rationale for this was to try and establish for these customers (given that different water companies provide their water services and their sewerage services) whether affordability is different for the two elements of the bill.

6.1.3 It can be seen in Figures 26 and 27 that affordability of the water bill proposal is slightly but not significantly higher than for the sewerage bill proposal (3% vs. 1%).

6.1.4 Given that these customers have already stated that they find the combined proposals unacceptable and unaffordable, it's perhaps not surprising that when then asked about the water and sewerage proposals separately, that they also largely disagree that these proposals are affordable.

Figure 25: Affordability of water bill proposals - combined bill WoC customers who find combined proposals unaffordable

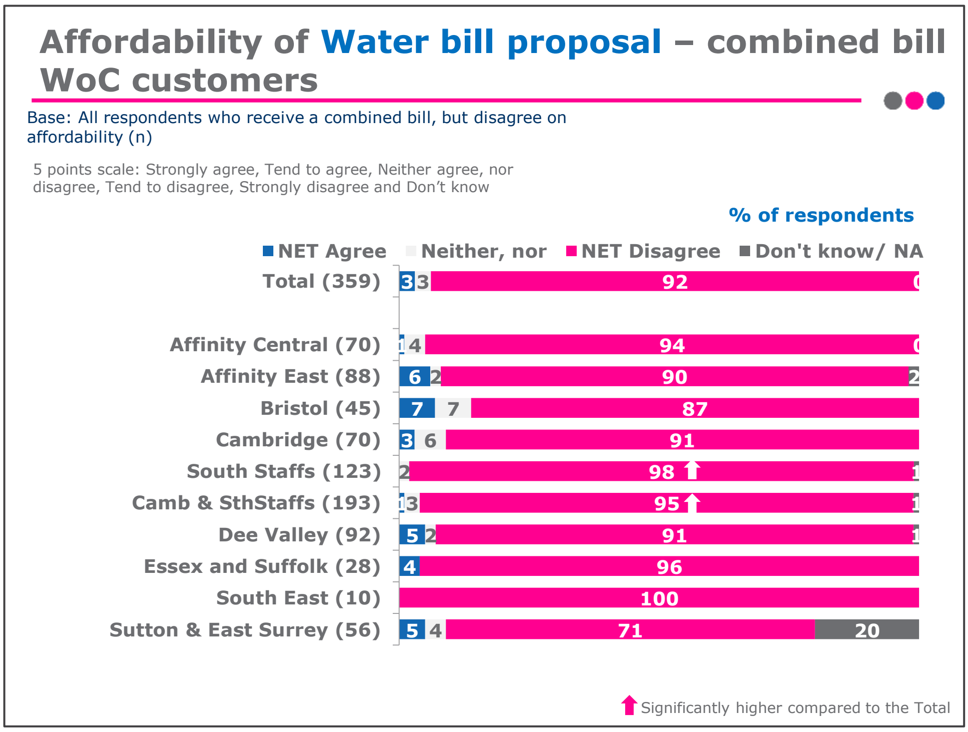
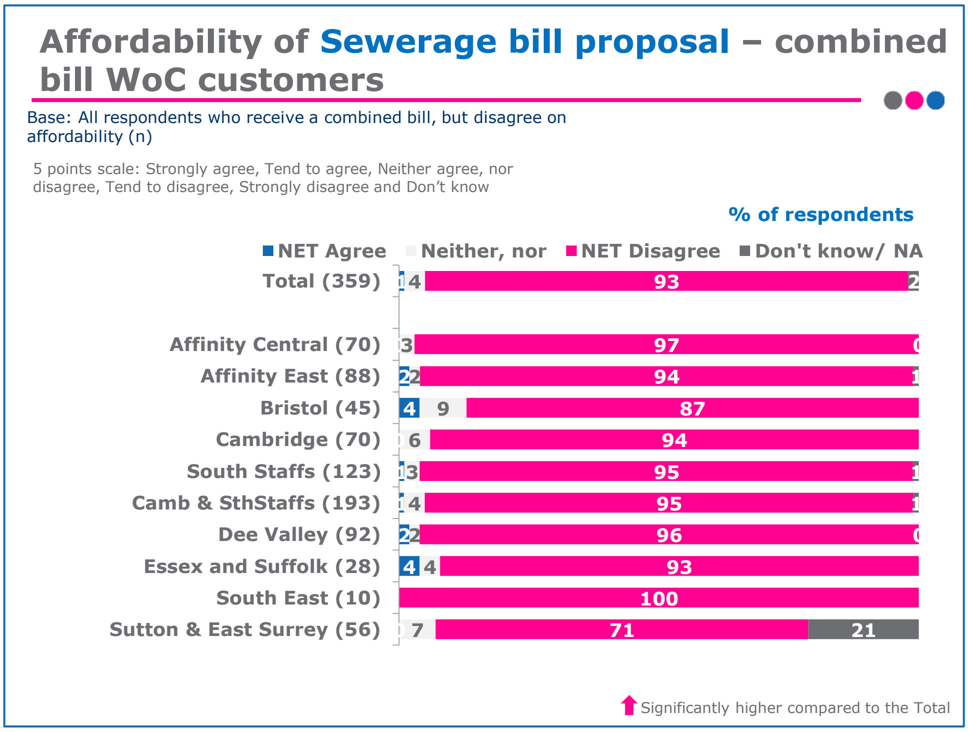


Figure 26: Affordability of sewerage bill proposals (combined bill WoC customers who find combined proposals unaffordable)



- There are no significant differences to highlight between age, SEC or household income groups for the water or sewerage proposals.

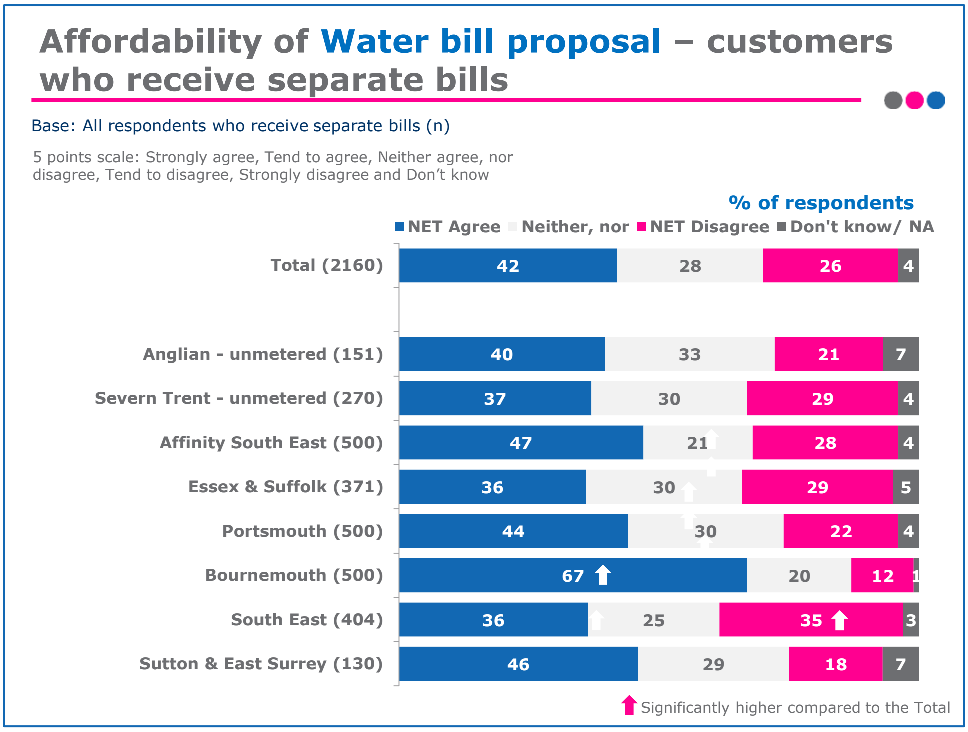
- For both, the only difference to note is that those with incomes of less than £10,000 are more likely to strongly disagree that the proposals are affordable compared to the other income subgroups (60% strongly disagree vs. 50% and less for the other income subgroups – water and 67% vs. 47% - sewerage).
- Amongst customers who receive sewerage from Thames Water, more customers of Affinity Central disagree that the sewerage proposal is affordable compared to Sutton and East Surrey (Affinity Central 98% disagree that proposals are affordable vs Sutton and East Surrey 71%).

6.2 Affordability: separate bills proposals

6.2.1 All customers who receive separate bills (20% of all respondents) were asked about affordability of the water and sewerage bill proposals separately.

6.2.2 Just over two fifths (42%) of those receiving separate bills, state that they find the water bill proposals to be affordable.

Figure 27: Affordability of water bill proposals – customers who receive separate bills

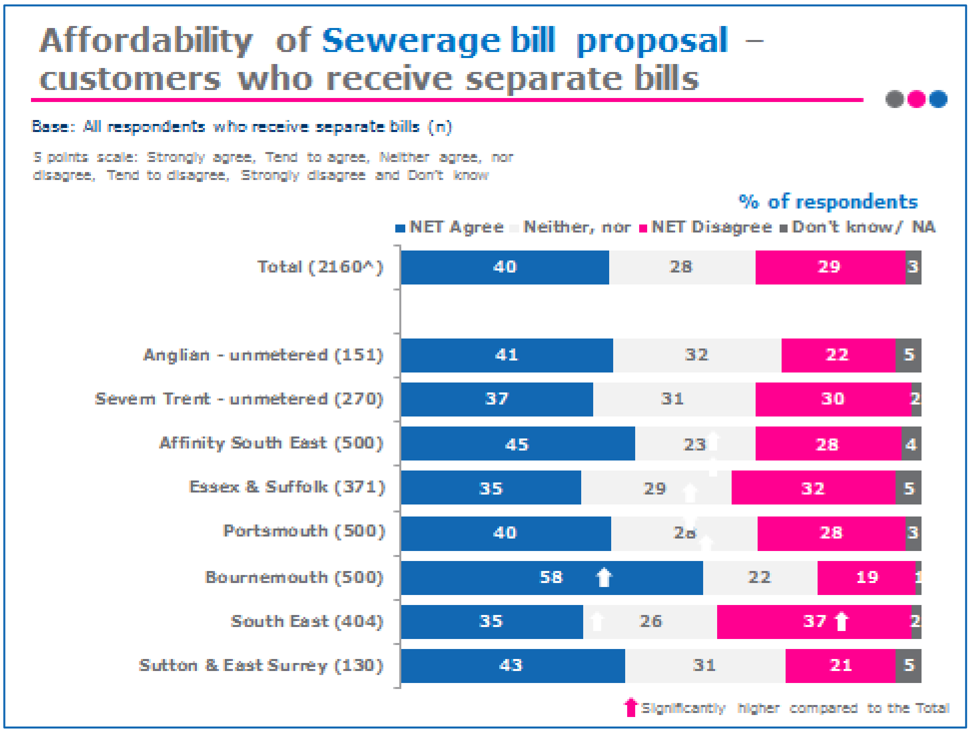


- As 67% shows, Bournemouth customers are the only ones who find the water proposals to be more affordable when compared to the average for all who receive separate bills (67% agree that the proposals are affordable vs average 42%).

- As seen in the acceptability findings, there is a correlation between household income and affordability, with more of those with lower household incomes disagreeing that the proposals are affordable (35% of those with a household income of less than £10,000 and 32% of those having between £10,000 and £19,999 disagree that the proposals are affordable, vs 25% and less for the other income subgroups).
- Similarly, more of those with higher household incomes find the proposals to be affordable (62% of those with a household income of £50,000+ and 50% of those having income of £30,000-49,999 agree that the proposals are affordable).
- A similar correlation can be seen with SEC – those in higher SECs find the proposals more affordable than those in lower SECs (SEC1 50% affordability vs 42% and less for the other SECs).

6.2.3 A similar proportion of customers with separate bills agree that the sewerage bill and the water bill proposals are affordable (40% for sewerage and 42% for water).

Figure 28: Affordability of sewerage bill proposals – customer who receive separate bills



- It is worth noting here that Bournemouth customers' level of affordability is significantly higher when compared to the average, as it was for the water bill proposal; however, Bournemouth customers find the water bill proposals to be more affordable than the sewerage bill proposals (water affordability 67%, sewerage bill affordability 58%). This is likely to be driven by Bournemouth customers using Wessex Water for sewerage as 67% of those using Southern Water find the sewerage proposal acceptable.

- Indeed, of those who receive sewerage from Southern Water, customers who receive water from South East are most likely to find the sewerage proposal unaffordable (South East 37% disagree that the proposal is affordable vs 28% for Affinity South East and Portsmouth, 21% Sutton and East Surrey, 14% Bournemouth.
- Among those who receive sewerage from Anglian Water, significantly more Essex and Suffolk customers find the sewerage proposals unaffordable compared to Anglian water customers (Essex and Suffolk 32% disagree that the proposals are affordable vs 22% for Anglian Water).
- Other water companies have similar levels of affordability across both the water and the sewerage bill proposals.
- Again, a correlation can be seen between affordability and household income, with those with lower household incomes disagreeing more that the proposals are affordable (38% of those with a household income of less than £10,000 and 34% of those having between £10,000 and £19,999 disagree that the proposals are affordable).
- Similarly, significantly more of those with higher household incomes agree that the proposals are affordable (51% of those with income between £30,000 and £49,999 and 61% of those of £50,000+ agree, vs 41% or less within the other income subgroups).
- As with the water proposal results, again there is a correlation between affordability and SEC, with more of those in SEC1 saying that the proposals are affordable compared to the other SECs (49% vs 40% for SEC 2, 35% for SEC3 and 30% for SEC 4/5).

6.3 Affordability: Total sample

6.3.1 Almost half of our sample (45%), were asked about affordability of the proposals. The remaining 55% were not asked. These respondents were customers receiving combined water and sewerage bills who had found the proposal acceptable. The assumption was made that because these customers had accepted the proposal, they must, by default, have also found it affordable.

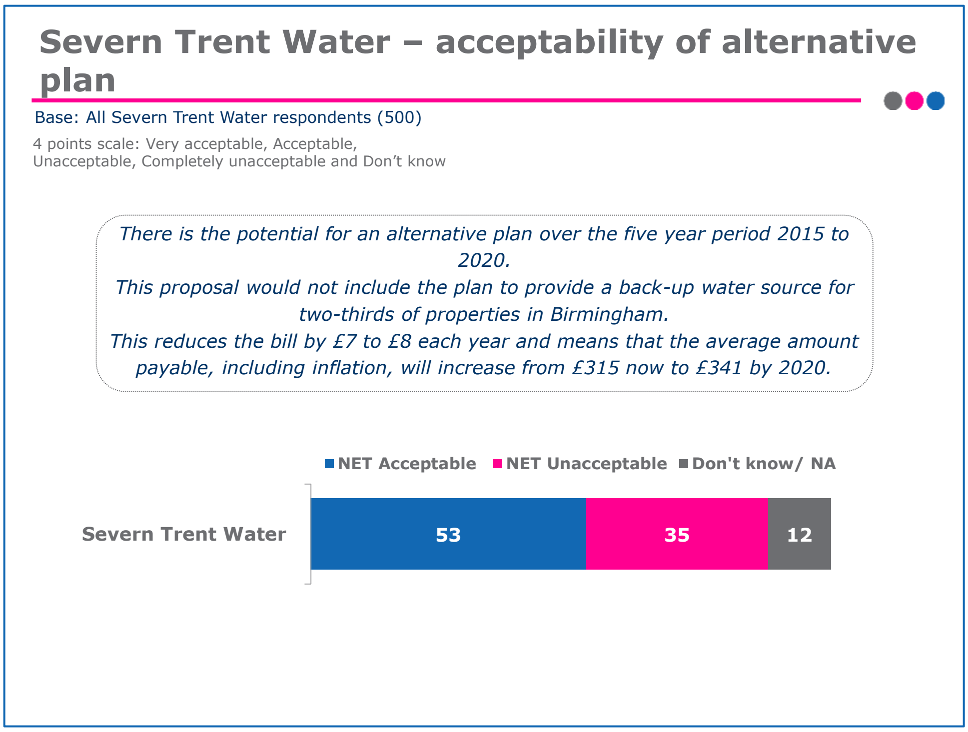
6.3.2 If we take this 55% and add it to the proportion of customers who were asked about affordability and who found the proposal affordable, we get a total affordability figure of 66% and can conclude that just under two thirds of customers find the proposals affordable.

6.4 Severn Trent alternative plan

Severn Trent Water respondents only were asked a further question relating to an alternative plan for the five year period 2015 to 2020. This alternative plan excluded a potential service and investment option to provide a back-up water source for two-thirds of properties in Birmingham. Respondents were told that this would reduce the average household bill by £7 to £8 each year and would mean that the average amount payable, including inflation, would increase from £315 now to £341 by 2020.

6.4.1 Just over half (53%) of Severn Trent customers find this plan acceptable, with just over a third (35%) finding it unacceptable. The remainder are unable to state their acceptability.

Figure 29: Acceptability of the Severn Trent alternative plan



- Customers in the older age group (75 years+) find the plan more acceptable when compared to all the other subgroups, with just over two thirds of them (70%) finding the plan acceptable.

7. Comparison between England and Wales

7.0.1 In the research 9,977 interviews were conducted among customers in England and 990 interviews were conducted among customers in Wales. Weights were applied to the data so that it was representative of the market in England and Wales.

7.0.2 This chapter details the significant differences between England and Wales customers.

7.1 Setting the scene

- Customers in Wales pay more for their water and sewerage services per year than those in England (£425 compared to £391 per year).
- Customers in Wales seem to be more sensitive to the cost of living and more aware of inflation than customers in England. More customers in Wales are of the view that:
  - It is hard to predict the level of inflation in the next few years (79% agree compared to 72%).
  - Changes in the cost of living are a concern for them with more disagreeing that changes in the cost of living are not a concern for them (70% disagree compared to 65%).
  - All their household bills already automatically include inflation (69% agree compared to 64%).
  - They think about the effect of inflation on their bills, with more disagreeing that they don’t think about the effect of inflation on their bills (53% disagree compared to 47%).
  - Water bills are already too high (57% agree compared to 52%).
  - Their income does not keep up with changes in the cost of living, with slightly more disagreeing that generally their income does not keep up with the cost of living (14% disagree compared to 12%).
- Not surprisingly, given the sensitivity to the cost of living statements, the household income of customers in England is higher than those in Wales. There is a higher proportion of customers with incomes of £30,000 or more in England than in Wales (34% compared to 21%).

7.2 Uninformed acceptability

- The level of acceptability is the same among both customers in England and Wales (74% versus 72% acceptability respectively) when they are told the percentage that the water bill is expected to fall before inflation is added (Uninformed acceptability 1).
- Acceptability declines equally among customers in England and Wales when they are told the impact on the average bill (Uninformed acceptability 2) with similar levels of acceptability (55% and 57% acceptability respectively).
- Customers in Wales believe more than customers in England that their water company is responsible for more services, specifically:
  - Providing safe, reliable, clean drinking water (90% versus 86%);
  - Removal and treatment of waste water (83% versus 80%);
  - Dealing with sewer flooding (77% versus 72%);
  - Maintaining water pipes and sewers and treatment works (85% versus 80%);
  - Protecting the water environment (74% versus 67%);
  - Treating water pollution from agriculture and manufacturing (59% versus 55%).

7.3 Informed acceptability

Before they were asked about informed acceptability, Welsh customers were told that DCWW does not have shareholders, and that it re-invests its profits in the business.

- After customers are shown the price plans for water, sewerage and the combined proposal, there is still no difference in acceptability between customers in England and Wales:
  - Water and sewerage acceptability (59% England and 61% Wales).
  - Water acceptability (67% England and 65% Wales).
  - Sewerage acceptability (64% England and 63% Wales).
- The only slight difference is that more customers in Wales find it unacceptable (27% as compared to 24% in England who find it unacceptable).
- Among customers in Wales the main reason for the water, sewerage and combined plans being unacceptable are that customers believe the bill is already too expensive/it will be too expensive. Significantly more customers in Wales cited this as the main reason for the plans being unacceptable. Fewer customers in Wales, however, selected the reason that company profits are too high already (although this is not a significant difference when compared to customers in England), suggesting that even though customers view bills as expensive, they do not necessarily believe that this is to the benefit of the water companies themselves.
- In addition, slightly more customers in Wales than England feel the plan is poor value for money.

- Opinions are similar between customers in England and Wales for support of the plans. Slightly more customers in Wales than England are in support of what the water company is trying to do in the long-term.

7.4 Customer profile

- More customers in England are charged for their water through a meter than in Wales (51% compared to 40%).

8. Conclusions

- This survey measured three levels of acceptability – uninformed where customers were presented with a percentage change to their water and sewerage bill, a second level of uninformed acceptability where customers were presented with a monetary change to their bill and informed acceptability where customers saw details of some of the investments companies would be making in 2015-20.
- Acceptability is at its highest (74%) when presented as a percentage change to the bill.
- Acceptability drops by 19% from 74% to 55% for combined proposals when customers are presented with monetary changes. WoC customers tend to be more accepting of the proposals with 65% of them stating their acceptance.
- For the separate water proposals, acceptability drops to 60%, and for the sewerage bill proposals acceptability drops to 56%.
- When given information on what service levels they could expect for these changes, acceptability levels rise from 55% to 59% for combined proposals.
- Just over two thirds (67%) of all customers find the water bill proposals acceptable and just under two thirds (64%) of customers accept the sewerage service proposals. Once again, acceptability amongst the WoC customers is generally higher when compared to the total.
- Reasons for accepting or not accepting the proposals are the same, regardless of what proposals are being asked about.
- Customers accepting the proposals do so because they believe that the plans focus on the right things and they generally support what the water companies are trying to do in the long run.
- Affordability is closely linked to unacceptability – those unaccepting the proposals are more likely to find them unaffordable.
- Key reasons why customers do not accept the proposals are because they feel that the bills are already too expensive and will continue to be and that companies make enough profit already.
- Across the board, there is a correlation between household income and acceptability, with those with lower household incomes being less accepting of the proposals, and those with higher household incomes being more accepting.
- There is a similar correlation between Socio Economic Classification (SEC) groups and household income where those in SEC1 groups find the proposals more acceptable when compared to those in SEC3 and SEC 4/5.

9. Appendix 1 - Questionnaire

DJS Research Ltd, 3 Pavilion Lane, Strines, Stockport, Cheshire, SK6 7GH
Tel: 01663-767857

I declare that this interview was carried out according to instructions, within the MRS Code of Conduct and that the respondent was not previously known to me.	
Name:………………………………	Signature………………………………..
Date:……………………………….	Actual Interview Duration:……..minutes

CC Water 1989

Draft Determination Questionnaire – Phase 3

Face-to-face

Respondent Name (Mr/Mrs/Miss/Ms): ....
Address:..
....
Postcode: ....
Telephone Number (inc STD Code) ....

Introduction

READ OUT

This research is being carried out by DJS on behalf of the Consumer Council for Water. The aim is to find out what people think about their water company's services for 2015-2020.

You will need to know which Water Company or companies provide your water and sewerage services in order to complete this survey. This can be found on your current water and sewerage bill(s).

About You

S0. First of all, which of these statements best describes you? **READ OUT AND SINGLE CODE**

I have internet access at home and regularly use it	1
I have internet access at home and rarely use it (once or twice a month)	2
I have no internet access at home but regularly use the internet elsewhere e.g. work, library	3
I have no internet access at home but occasionally (once or twice a month) use the internet elsewhere e.g. work, library	4
I don't use the internet	5

Q1. Are you solely or jointly responsible for paying the water bill?

Yes	☐ 1
No, I am not responsible for paying the bill	☐ 2 THANK & CLOSE

Q2. Please tell me which water company provides your water supply. **SINGLE CODE. READ OUT.**

Anglian Water	☐ 1
Dwr Cymru (Welsh Water)	☐ 2
Northumbrian Water	☐ 3
Severn Trent Water	☐ 4
Southern Water	☐ 5
South West Water	☐ 6
Thames Water	☐ 7
United Utilities	☐ 8
Wessex Water	☐ 9
Yorkshire Water	☐ 10
Affinity Central (previously Veolia Water Three Valleys)	☐ 11
Affinity East (previously Veolia Water East)	☐ 12
Affinity South East (previously Veolia Water South East)	☐ 13
Bristol Water	☐ 14
Cambridge Water	☐ 15
Dee Valley Water	☐ 16
Essex and Suffolk Water	☐ 17
Hartlepool Water	☐ 18
Portsmouth Water	☐ 19

Sembcorp Bournemouth Water	☐ 20	
South East Water	☐ 21	
South Staffordshire Water	☐ 22	
Sutton & East Surrey Water	☐ 23	
Other	☐ 80	THANK & CLOSE

Q3a. And please tell me which company provides your sewerage service. **READ OUT LIST OF WASCS ACCORDING TO RESPONSES TO Q2. IF CUSTOMER HAS SEPTIC TANK OR STATES 'OTHER' THANK AND CLOSE**

Anglian Water	☐ 1	
Dwr Cymru (Welsh Water)	☐ 2	
Northumbrian Water	☐ 3	
Severn Trent Water	☐ 4	
Southern Water	☐ 5	
South West Water	☐ 6	
Thames Water	☐ 7	
United Utilities	☐ 8	
Wessex Water	☐ 9	
Yorkshire Water	☐ 10	
Other	☐ 80	THANK & CLOSE
Septic tank	☐ 11	THANK & CLOSE

BASE: ALL WoC CUSTOMERS WHO CLAIM THEIR SEWERAGE COMPANY IS NOT WHAT IT SHOULD BE ACCORDING TO THEIR POSTCODE

Q3b According to our records, your sewerage company is **(INSERT CORRECT SEWERAGE COMPANY FOR AREA)**

READ OUT:
Does this sound right to you?

Yes	☐ 1	
No	☐ 2	THANK & CLOSE
Not sure	☐ 3	THANK & CLOSE

READ OUT:

If your water supply and sewerage services are provided by two different companies, please bare this in mind when giving your responses.

Q3c. Are you currently charged for water through a water meter?

Yes	☐ 1
No	☐ 2 GO TO Q4
Don't know / can't say	☐ 80

Q3d. ONLY ASK IF Q3c = 1. Why do you have a water meter installed at your home? **SINGLE CODE**

It was already installed when I moved in	☐ 1
I opted for one to be installed	☐ 2
I had no choice/I had to have a meter	☐ 3
Other (please specify) __________	☐ 80
Don't know / can't say	☐ 85

Q4. SPECIFY WHETHER MALE OR FEMALE.

Male	☐ 1
Female	☐ 2

Q5. Which of the following age groups do you fall into? **READ OUT.**

Less than 18	☐ 1	THANK & CLOSE
18-29	☐ 2	
30-44	☐ 3	
45-59	☐ 4	
60-74	☐ 5	
75+	☐ 6	

READ OUT:
Please answer the next set of questions based on your current job.
<u>If you're currently not working or are retired, please base your answers on your last job.</u>
Q6a. Do you (did you) work as an employee or are you (were you) self-employed?

Employee	☐ 1

Self-employed with employees	☐ 2
Self-employed/freelance without employees	☐ 3 GO TO Q6e
Not applicable - Long term unemployed/never worked	☐ 4 GO TO Q7
Not applicable - Full time student	☐ 5 GO TO Q7

IF CODE 1 AT Q6a:
Q6b. How many people work (worked) for your employer at the place where you work (worked)?

1-24	☐ 1
25 or more	☐ 2

IF CODE 2 AT Q6a:
Q6c. How many people do (did) you employ?

1-24	☐ 1
25 or more	☐ 2

IF CODE 1 or 2 AT Q6a
Q6d. Do (did) you supervise any other employees? (e.g. a supervisor, manager or foreman responsible for overseeing the work of other employees on a day to day basis)

Yes	☐1
No	☐2

Q6e. Which of the following best describes the sort of work you do? If you are not working now, please select the response which describes what you did in your last job. SHOW CARD

Modern professional occupations such as: teacher – nurse – physiotherapist – social worker – welfare officer – artist – musician – police officer (sergeant or above) – software designer	☐1
Traditional professional occupations such as: accountant - – solicitor – medical practitioner – scientist – civil/mechanical engineer – police officer (constable)	☐2
Clerical and intermediate occupations such as: secretary, personal assistant – clerical worker – office clerk – call centre agent – nursing auxiliary – nursery nurse	☐ 3

Middle or junior managers such as: office manager – retail manager – bank manager – restaurant manager – warehouse manager – publican ☐ 4

Senior managers or administrators (usually responsible for planning, organising and co-ordinating work, and for finance) such as: finance manager – chief executive ☐ 5

Technical and craft occupations such as: motor mechanic – fitter – inspector – plumber – printer – tool maker – electrician – gardener – train driver ☐ 6

Semi-routine manual and service occupations such as: postal worker – machine operative – security guard – caretaker – farm worker – catering assistant – receptionist – sales assistant ☐ 7

Routine manual and service occupations such as: HGV driver – van driver – cleaner – porter – packer – sewing machinist – messenger – labourer – waiter/waitress – bar staff ☐ 8

<u>Uninformed Acceptability 1 - WaSCs</u>

READ OUT:

[WATER COMPANY insert from Q2] has produced a plan on how they will provide water and sewerage services and the investments they will make for the 5 year period 2015 to 2020.

Ofwat (the regulator for the water industry) has reviewed the plan and made a draft decision on the service levels which customers will get, and how their bills will change from 2015 to 2020.

We would like to get your views on this.

Over the five year period customer bills will fall on average by x% each year, before the effect of inflation is added.

<u>Uninformed Acceptability 1 – For WoCs</u>

[WATER COMPANY insert from Q2] has produced a plan on how they will provide water services and the investments they will make for the 5 year period 2015 to 2020 and [SEWERAGE COMPANY insert from Q3] has produced a plan on how they will provide sewerage services and the investments they will make for the 5 year period 2015 to 2020.

Ofwat (the regulator for the water industry) has reviewed these plans and made a draft decision on the service levels which customers will get, and how their bills will change from 2015 to 2020.

We would like to get your views on this.

Over the five year period overall customer bills will fall on average by x% each year, before the effect of inflation is added.

IF RESPONDENT ASKS WHAT IS INFLATION, RESPOND WITH:
Inflation is the rate of increase in prices for goods and services. So if inflation is 3% higher than twelve months earlier, 4 pints of milk which was £1 twelve months ago will now cost £1.03. Incomes and pensions can also rise in line with inflation which can offset the increase in cost of goods and services.

Q7. How acceptable do you consider this proposal? **SHOW CARD Q7. SINGLE CODE**

Very acceptable	☐ 1
Acceptable	☐ 2
Unacceptable	☐ 3
Completely unacceptable	☐ 4
Don't know/can't say	☐ 5

Current bill

READ OUT:

ASK WaSCs COMBINED ONLY

Q8a. How much do you currently pay per year for your water **and** sewerage services? This can be found on your most recent water and sewerage bill. NB if you have a water meter your bill might be for six months rather than a year, or if you don't have a water meter you may make 8 monthly payments to cover charges for the whole year. Please tell me what you pay to cover charges for 12 months.

£_______________________________per year

ASK WoCs AND WaSCs SEPARATE ONLY

Q8b How much do you currently pay per year for your water services **and** for your sewerage services? This can be found by looking at your most recent water bill from **[ANSWER GIVEN AT Q2]** and your most recent sewerage bill from **[ANSWER GIVEN AT Q3]**, and adding the two together. NB if you have a water meter your bill might be for six months rather than a year, or if you don't have a water meter you may make 8 monthly payments to cover charges for the whole year. Please tell me what you pay to cover charges for 12 months.

£_______________________________per year

ASK ALL

Q9a Check - You've said that your current bill is [SAY AMOUNT FROM Q8] – are you sure that this is for 12 months?

Yes	☐	1
No	☐	2

IF NO: Please re-enter the amount so that it is for 12 months

£_______________________________per year

Q9b Is this from a bill or is this your best estimate?

From a bill	☐	1
Best estimate	☐	2

Uninformed Acceptability 2

READ OUT:

***For WoCs*:**

From 2015 [ANSWER GIVEN AT Q2] will introduce new service levels up to 2020. Services will either improve or stay at current levels. [ANSWER GIVEN AT Q2] will:

- ***Continue to ensure tap water remains safe and clean;***
- ***Manage the effect of their work on the environment; and***
- ***Make other improvements where necessary***

For WaSCs:

From 2015 [INSERT COMPANY AT Q2] will introduce new service levels up to 2020. Services will either improve or stay at current levels. [ANSWER GIVEN AT Q2] will [BULLET POINTS BELOW TO BE TAILORED FOR EACH WATER COMPANY]:

- ***Continue to ensure tap water remains safe and clean;***
- ***Continue to ensure sewer pipes are maintained;***
- ***Manage the effect of their work on the environment; and***
- ***Make other improvements where necessary***

ANGLIAN WATER: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now, to £X by 2020

SEVERN TRENT WATER: This will mean the average household bill for water and sewerage service, which includes inflation, will increase from £X now, to £X by 2020

SOUTH WEST WATER: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now to £X by 2020.

SOUTHERN WATER: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now to £X by 2020.

THAMES WATER: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now to £X by 2020.

UNITED UTILITIES: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now to £X by 2020.

WESSEX WATER: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now to £X by 2020.

YORKSHIRE WATER: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now to £X by 2020.

WELSH WATER: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now to £X by 2020.

NORTHUMBRIAN WATER: This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £X now to £X by 2020.

AFFINITY CENTRAL WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

AFFINITY EAST WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

AFFINITY SOUTH EAST WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

BRISTOL WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

CAMBRIDGE WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

DEE VALLEY WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

HARTLEPOOL WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

PORTSMOUTH WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

SEMBCORP BOURNEMOUTH WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

SOUTH EAST WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

SOUTH STAFFORDSHIRE WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

SUTTON & EAST SURREY WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

ESSEX AND SUFFOLK WATER: This will mean the average household bill for water services, which includes inflation, will increase from £X now to £X by 2020.

IF SEWERAGE COMPANY THAMES WATER: Please bear in mind that the sewerage services and charges you receive from Thames Water are also likely to change over the next five years as well. The average sewerage bill for Thames Water is currently £XXX .

IF SEWERAGE COMPANY ANGLIAN WATER: Please bear in mind that the sewerage services and charges you receive from Anglian Water are also likely to change over the next five years as well. The average sewerage bill for Anglian Water is currently £XXX.

IF SEWERAGE COMPANY SOUTHERN WATER: Please bear in mind that the sewerage services and charges you receive from Southern Water are also likely to change over the next five years as well. The average sewerage bill for Southern Water is currently £XXX.

IF SEWERAGE COMPANY WESSEX WATER: Please bear in mind that the sewerage services and charges you receive from Wessex Water are also likely to change over the next five years as well. The average sewerage bill for Wessex Water is currently £XXX.

IF SEWERAGE COMPANY WELSH WATER: Please bear in mind that the sewerage services and charges you receive from Welsh Water are also likely to change over the next five years as well. The average sewerage bill for Welsh Water is currently £XXX.

IF SEWERAGE COMPANY NORTHUMBRIAN WATER: Please bear in mind that the sewerage services and charges you receive from Northumbrian Water are also likely to change over the next five years as well. The average sewerage bill for Northumbrian Water is currently £XXX.

IF SEWERAGE COMPANY SEVERN TRENT WATER: Please bear in mind that the sewerage services and charges you receive from Severn Trent Water are also likely to change over the next five years as well. The average sewerage bill for Severn Trent Water is currently £XXX.

ASK WaSCs and WoC customers who receive a combined bill

Q10a. How acceptable do you consider this proposal? **SHOW CARD Q10. SINGLE CODE**

Very acceptable	☐ 1
Acceptable	☐ 2
Unacceptable	☐ 3
Completely unacceptable	☐ 4
Don't know/can't say	☐ 5

WoCs WHO RECEIVE SEPARATE WATER BILLS AND SEWERAGE BILLS ONLY.

SHOW CARD 1 [WATER BILL & SEWERAGE BILL]

Q10b. How acceptable do you consider this proposal for your water bill? **SHOW CARD Q10. SINGLE CODE**

Very acceptable	☐ 1
Acceptable	☐ 2
Unacceptable	☐ 3
Completely unacceptable	☐ 4
Don't know/can't say	☐ 5

Q10c. How acceptable do you consider this proposal for your <u>sewerage bill?</u> **SHOW CARD Q10. SINGLE CODE**

Very acceptable	☐	1
Acceptable	☐	2
Unacceptable	☐	3
Completely unacceptable	☐	4
Don't know/can't say	☐	5

<u>Company responsibility</u>

ASK WoCs

Q11 Now thinking about both the water and the sewerage services you receive, which of the following services do you believe your water company and your sewerage company are responsible for? **MULTI CODE. ROTATE LIST**

ASK WaSCs

Q11 Thinking about the water and sewerage services you receive, which of the following do you believe your water company is responsible for? **ROTATE STARTING POINT. MULTI CODE.**

Providing safe, reliable, clean drinking water	☐	1
Removal and treatment of waste water i.e. sewerage from homes and businesses	☐	2
Dealing with sewer flooding	☐	3
Maintaining water pipes and sewers and treatment works	☐	4
Protecting the water environment	☐	5
Treating water pollution from agriculture and manufacturing	☐	6
Drainage of rainfall from roads	☐	7
Reducing litter in waterways	☐	8
Preventing flooding from rivers	☐	9
Managing canal systems	☐	10
Helping to reduce greenhouse gas emissions and tackle climate change	☐	11
Other (specify)	☐	80
None of these	☐	85
Don't know	☐	12

READ OUT:

To confirm, in fact, water and sewerage companies are responsible for these things.

Providing safe, reliable, clean drinking water

Removal and treatment of waste water i.e. sewerage from homes and businesses

Dealing with sewer flooding

Maintaining water pipes and sewers and treatment works

Protecting the water environment

Treating water pollution from agriculture and manufacturing

Helping to reduce greenhouse gas emissions and tackle climate change

Preventing flooding from rivers, reducing litter in waterways, managing canal systems and drainage of rainfall from roads are the responsibility of other organisations.

Informed Acceptability

READ OUT

INTRO

The next questions are about the services provided by **Q2** (or **Q2** that provides your water supply and **Q3** that provides your sewerage services).

Water and/or sewerage companies are required to write five year business plans setting out how they will meet environmental, drinking and waste water quality standards and deliver high quality customer service. Companies submit their plans to Ofwat (the regulator for the water industry) and then Ofwat sets investment and service levels, and the prices that companies can charge their customers for these services.

When answering the next set of questions, please bear in mind that because you are charged for two services i.e. for water and for sewerage, you will be asked to consider these individually as the companies have different service levels and prices for each.

The following table shows the different **water services** provided by **[INSERT WATER COMPANY AT Q2]**, and what they plan to improve and maintain between 2015 and 2020. Please note that the investment details shown are a snapshot of the proposals; if there is no detail shown it doesn't mean that the company isn't investing in that area.

The table also shows the price change from now to 2015 and to 2020. When considering the price please bear in mind that your household income and the cost of living will also change over the next 5 years.

<u>SHOWCARD A</u> [WATER SUPPLY PLANS FOR 2015-2020]

ASK ALL

Q12. Bearing in mind the investment and service levels that go with this, how acceptable do you think the proposed price changes are for the water services?

SHOW CARD Q12. SINGLE CODE

Very acceptable	☐ 1
Acceptable	☐ 2
Unacceptable	☐ 3
Completely unacceptable	☐ 4
Don't know/can't say	☐ 5

Q13.If Q12 = completely/unacceptable: What are the **two main** reasons that you feel the proposals for your **water** services are unacceptable? **ROTATE STARTING POINT. MULTICODE UP TO TWO MAXIMUM**

Already too expensive/it will still be too expensive	☐ 1
Company profits too high already	☐ 2
Generally, expect bigger service improvements	☐ 3
The company should be investing in their services as well as customers	☐ 4

I expect better improvements for these prices	☐ 5
The plan is poor value for money	☐ 6
Compared to energy prices it is more expensive	☐ 7
I am dissatisfied with current services & expected greater improvements	☐ 8
Other (specify)	☐ 9

Q14.If Q12 = very/acceptable: What are the **two main** reasons that you feel the proposals for your **water** supply are acceptable? **ROTATE STARTING POINT. MULTICODE UP TO TWO MAXIMUM**

The plan is good value for money	☐ 1
Compared to energy prices it's cheaper	☐ 2
Their plans seem to focus on the right things	☐ 3
The company provide a good service now and it looks as if it will continue	☐ 4
I support what they are trying to do in the long term	☐ 5
There is little or no change to my bill	☐ 6
I don't really understand it but I trust them to do what's best for customers	☐ 7
I have been dissatisfied with the service recently but am pleased that they are making improvements	☐ 8
Other- specify	☐ 80

READ OUT

The detail you will now see show the different **sewerage services** provided by **[Q2/or if Q2 IS NOT SAME AS Q3 NAME COMPANY AT Q3]**, the areas they plan to maintain at the current level of service and the areas where they plan to make improvements. It also shows the price change from now to 2015 and to 2020.

Again, the investment details shown are a snapshot of the proposals for company activities. If there is not detail shown it doesn't mean that the company isn't investing in that area.

<u>SHOWCARD C</u> [WATER SEWERAGE & ENVIRONMENT PLANS FOR 2015-2020]

Q15. Bearing in mind the investment and service levels that go with this, how acceptable do you think the proposed price changes are for the **sewerage** services? **SHOW CARD Q15. SINGLE CODE**

Very acceptable	☐ 1
Acceptable	☐ 2
Unacceptable	☐ 3
Completely unacceptable	☐ 4
Don't know/can't say	☐ 5

Q16.If Q15 = completely/unacceptable: What are the **two main** reasons that you feel the proposals for your **sewerage** services are unacceptable? **ROTATE STARTING POINT. MULTICODE UP TO TWO MAXIMUM**

Already too expensive/it will still be too expensive	☐ 1
Company profits too high already	☐ 2
Generally, expect bigger service improvements	☐ 3
The company should be investing in their services as well as customers	☐ 4
I expect better improvements for these prices	☐ 5
The plan is poor value for money	☐ 6
Compared to energy prices it is more expensive	☐ 7
I am dissatisfied with current services and expected greater improvements	☐ 8
Other (specify)	☐ 80

Q17.If Q15 = very/acceptable: What are the **two main** reasons that you feel the proposals for your **sewerage** supply are acceptable? **ROTATE STARTING POINT. MULTICODE UP TO TWO MAXIMUM**

The plan is good value for money	☐ 1
Compared to energy prices it's cheaper	☐ 2
Their plans seem to focus on the right things	☐ 3
The company provide a good service now and it looks as if it will continue	☐ 4
I support what they are trying to do in the long term	☐ 5
There is little or no change to my bill	☐ 6
I don't really understand it but I trust them to do what's best for customers	☐ 7
I have been dissatisfied with the service recently but am pleased that	☐ 8

they are making improvements
Other – specify ☐ 80

FOR WaSCs and WoCs who receive a combined bill

SHOWCARD E [AVERAGE COMBINED BILL – PLANS FOR 2015-2020]

READ OUT
Now you have seen all the proposed service changes for your water and sewerage services, customer services and environmental performance, please review the proposed price changes for the combined water and sewerage bill.

FOR WoCs: The water services are provided and billed by **[INSERT COMPANY AT Q2]** and the sewerage services provided and billed **by [INSERT COMPANY AT Q3].**

Q18. Bearing in mind the investment and service levels that go with this, how acceptable do you think the proposed price changes are for your **water and sewerage** services. **SHOW CARD Q18. SINGLE CODE**

Very acceptable	☐ 1
Acceptable	☐ 2
Unacceptable	☐ 3
Completely unacceptable	☐ 4
Don't know/can't say	☐ 85

Q19.If Q18 = completely/unacceptable What are the two main reasons that you feel the proposals for your **water and sewerage** services are unacceptable?
ROTATE STARTING POINT. MULTICODE UP TO TWO MAXIMUM

Already too expensive/it will still be too expensive	☐ 1
Company profits too high already	☐ 2
Generally, expect bigger service improvements	☐ 3
The company should be investing in their services as well as customers	☐ 4
I expect better improvements for these prices	☐ 5
The plan is poor value for money	☐ 6
Compared to energy prices it is more expensive	☐ 7
I am dissatisfied with current services & expected greater improvements	☐ 8
Other (specify)	☐ 80

Q20.If Q18 = very/acceptable: What are the **two main** reasons that you feel the proposals for your **water and sewerage** service are acceptable?
ROTATE STARTING POINT. MULTICODE UP TO TWO MAXIMUM

The plan is good value for money	☐ 1
Compared to energy prices it's cheaper	☐ 2
Their plans seem to focus on the right things	☐ 3
The company provide a good service now and it looks as if it will continue	☐ 4
I support what they are trying to do in the long term	☐ 5
There is little or no change to my bill	☐ 6
I don't really understand it but I trust them to do what's best for customers	☐ 7
I have been dissatisfied with the service recently but am pleased that they are making improvements	☐ 8
Other – specify	☐ 80

IF CUSTOMER SAYS COMBINED WATER AND SEWERAGE BILL IS UNACCEPTABLE OR COMPLETELY UNACCEPTABLE AT Q18, ASK AFFORDABILITY AND REASONS WHY OF WATER AND SEWERAGE SEPARATELY
READ OUT
FOR WaSCs and WoCs who receive a combined bill
Q21. To what extent do you agree or disagree that the proposed price changes for your **water and sewerage** services are affordable to you? **SHOW CARD Q21. SINGLE CODE**

Strongly agree	☐ 1
Tend to agree	☐ 2
Neither agree nor disagree	☐ 3
Tend to disagree	☐ 4
Strongly disagree	☐ 5
Don't know	☐ 6

<u>FOR WaSCs and WoCs who receive separate bills AND WoCs who disagree (code 4 or 5 in Q21) that the combined bill is affordable ask Q22 and Q23</u>

Q22 Water. To what extent do you agree or disagree that the proposed price changes for your **water** services are affordable to you? **SHOW CARD Q22. SINGLE CODE**

Strongly agree	☐ 1
Tend to agree	☐ 2
Neither agree nor disagree	☐ 3
Tend to disagree	☐ 4
Strongly disagree	☐ 5
Don't know	☐ 85

Q23 Sewerage. To what extent do you agree or disagree that the proposed price changes for your sewerage services are affordable to you? **SHOW CARD Q23. SINGLE CODE**

Strongly agree	☐ 1
Tend to agree	☐ 2
Neither agree nor disagree	☐ 3
Tend to disagree	☐ 4
Strongly disagree	☐ 5
Don't know	☐ 85

ASK ALL

Q24. To what extent do you agree or disagree with each of the following statements about the cost of living and household bills? SHOW CARD Q24. SINGLE CODE PER STATEMENT. RANDOMISE ORDER OF STARTING STATEMENTS

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know
I think that water bills are too high	☐	☐	☐	☐	☐	☐
I accept that all my household bills automatically include inflation	☐	☐	☐	☐	☐	☐
Generally, my income doesn't keep up with changes in the cost of living	☐	☐	☐	☐	☐	☐
Changes in the cost of living aren't a particular concern for me	☐	☐	☐	☐	☐	☐
I don't think about the effect of inflation on my bills	☐	☐	☐	☐	☐	☐
I know that all of my bills change by inflation over time	☐	☐	☐	☐	☐	☐
I think it's hard to predict what level inflation is going to reach in the next few years	☐	☐	☐	☐	☐	☐

Q25. And looking ahead, how likely do you think it is that your household income is generally going to keep up with changes in the cost of living (which includes inflationary costs, household bills, food etc) over the next 5 years? SHOW CARD Q25. SINGLE CODE

Very likely	☐
Fairly likely	☐
Neither likely nor unlikely	☐
Fairly unlikely	☐
Very unlikely	☐
Don't know	☐

Q26. We would like to make sure that we take account of the views of people of all incomes. Could you tell me which of the following income bands your household falls into? Please take account of the income of all those in the household (before tax and national insurance) and include any pensions, benefits or extra earnings. SHOW CARD Q26. SINGLE CODE

Less than £10,000	☐	1
£10,000 to £19,999	☐	2
£20,000 to £29,999	☐	3
£30,000 to £39,999	☐	4
£40,000 to £49,999	☐	5
£50,000 to £74,999	☐	6
£75,000 to £99,999	☐	7
£100,000 or more	☐	8
Don’t know	☐	80
Decline to answer	☐	85

Q27. How many adults, including yourself, are there in your household? By adults, we mean anyone aged 16 years or over.

One	☐	1
Two	☐	2
Three	☐	3
Four	☐	4
Five or more	☐	5

Q28. How many children aged 5 years or under are there in your household? If you share the care of a child, please include children living with you at least one day per week.

None	☐	1
One	☐	2
Two	☐	3
Three	☐	4
Four	☐	5
Five or more	☐	6

Q29. Do you or anyone in your household have a long-term illness, health problem or disability which limits your daily activities or the work you can do? **MULTICODE OK FOR CODES 1 & 2**

Yes (self)	☐ 1
Yes (other)	☐ 2
No	☐ 3
Don't know / refused	☐ 80

ASK ALL

Q32a Did you understand everything in this survey?

Yes	☐ 1
No	☐ 2

BASE: ALL SAYING NO AT Q32a

Q32b What didn't you understand? Please provide as much detail as you can. **PROBE FULLY**

____

BASE: ALL RESPONDENTS

Q33 Do you have any further comments on anything we have discussed today?

____

THANK YOU FOR YOUR HELP IN THIS RESEARCH

This research was conducted under the terms of the Market Research Society (MRS) code of conduct and is completely confidential. If you would like to confirm DJS Research's credentials please call the MRS free on 0500 396999.

We would be grateful if you could provide your name and telephone number for quality control purposes. Please note that these will only be used by our quality control team and will not be passed onto any third parties.

10. Appendix 2 - Respondent profile

Summary:

- More than half of the households consist of two people, with a quarter being just one person
- There are no differences to note between WoC households and WaSC households
- A fifth (20%) of households have children aged 5 years or under
- A fifth (21%) of people asked have a long term illness, health problem or disability which limits their daily activities or the work they can do; a further 10% have a household member with such an illness or disability
- Across all water companies there is a fairly even split of metered and unmetered customers, but differences are evident between the different water companies

Adults in household

The majority of households surveyed have at least two people in the household: a quarter (25%) have one person in the household, and just over half (55%) have two people in the household.

Figure 30: Adults in household (WaSCs)

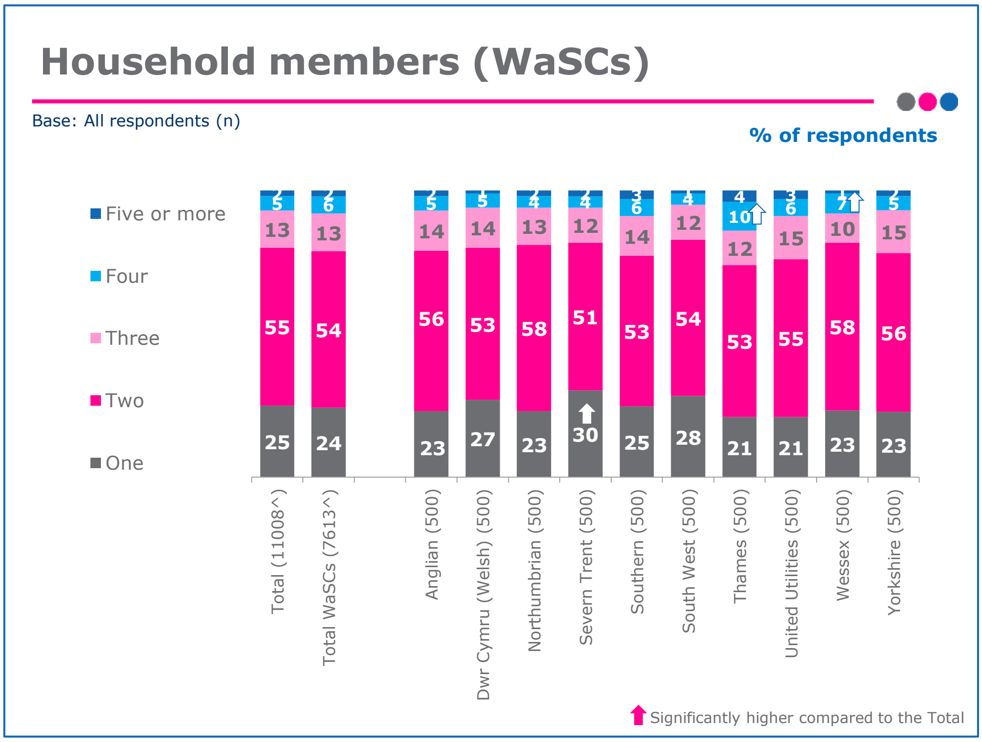
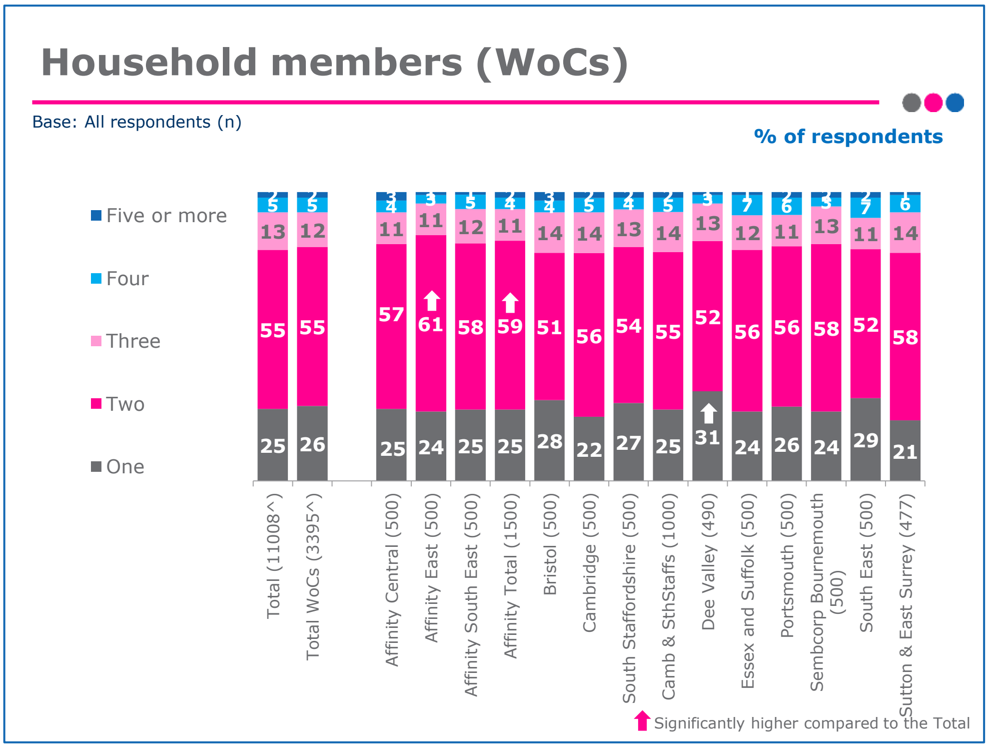


Figure 31: Adults in household (WoCs)



- As might be expected, a correlation is evident between age group and the number of people in household when compared with the total, with those in the older age groups having fewer people in the household, and those in the younger age groups having more people in the household (one person in household: 60-74 years 28%, 75+ years 45% vs total 25%; four people in household: 18-29 years 9% vs 5% total)
- There also appears to be a correlation between household income and household members, with those with a lower household income stating fewer household members (household income of less than £10,000 57% state one person in household, compared to the total of 25% who say one person in household) and those with a higher household income stating more household members (10% of those with a household income of more than £50,000 state they have a household with 4 members, compared to the total of 5% who say they have 4 people in the household)
- As would be expected, there is a correlation between bill amount and the number of people in the household, with bills being lower for those with fewer people in the household (45% of those with a bill of £100 or less state that they have just one person in the household, compared to a total of 25%) and bills being higher for those with more people in the household (3% of those with a bill of over £500 state that they have 5 or more people in the household, compared to a total of 2%)

Children in household under age of 5

The majority (80%) of household surveyed have no children in the household under the age of 5.

Figure 32: Children in household (WaSCs)

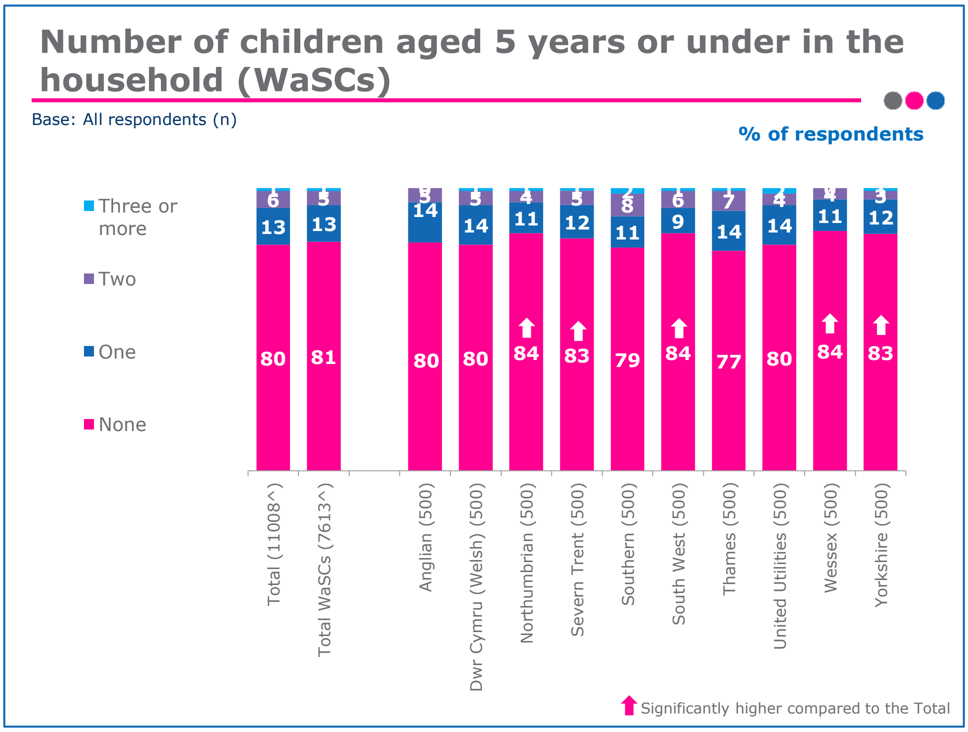
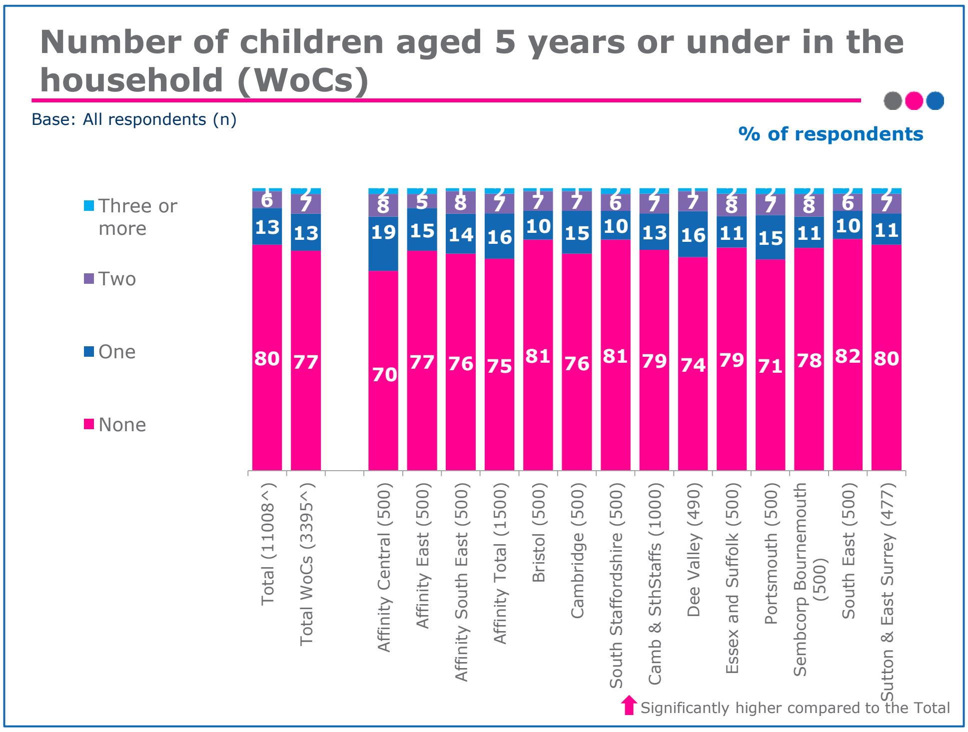


Figure 33: Children in household (WoCs)



- There appears to be a correlation between current bill and the number of children under the age of 5 in the household, with those with higher bills having a greater number of children under 5 (8% of those with bills £401-500 and 8% of those with bills over £500 have 2 children in the household, compared to the 6% of the total who have 2 children in the household)

Long term illness, health problem or disability

Respondents were asked if they or anyone in their household had a long-term illness, health problem or disability which limited their daily activities or the type of work they could do.

Overall, just under three quarters (71%) of respondents stated that no-one in their household has a long term illness, health problem or disability; a fifth (21%) stated that they themselves has an illness, health problem or disability; and a further tenth (10%) said that someone else in their household has an illness, health problem or disability.

Figure 34: Long term illness or disability in household (WaSCs)

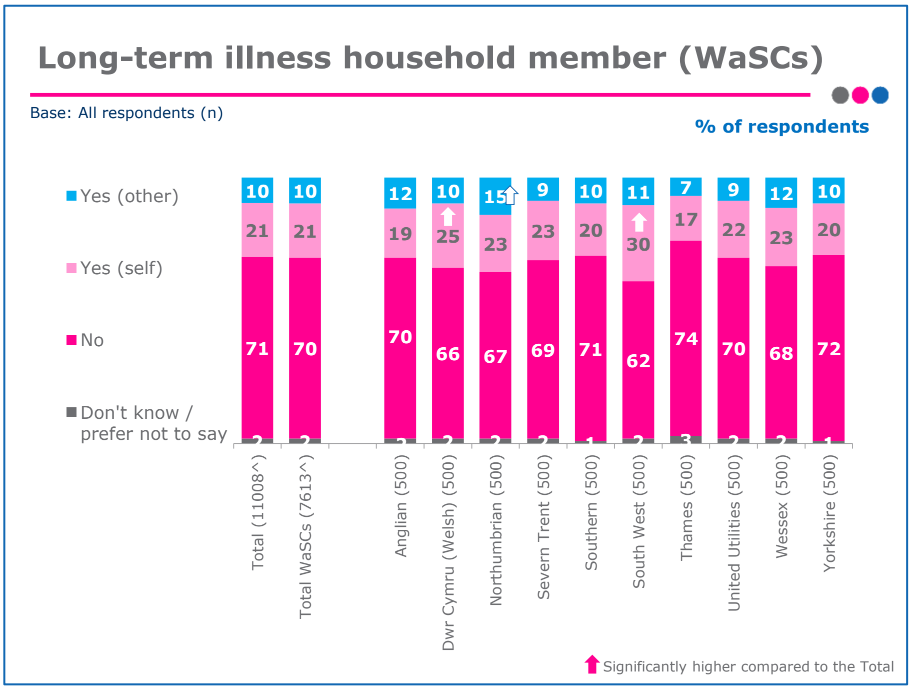
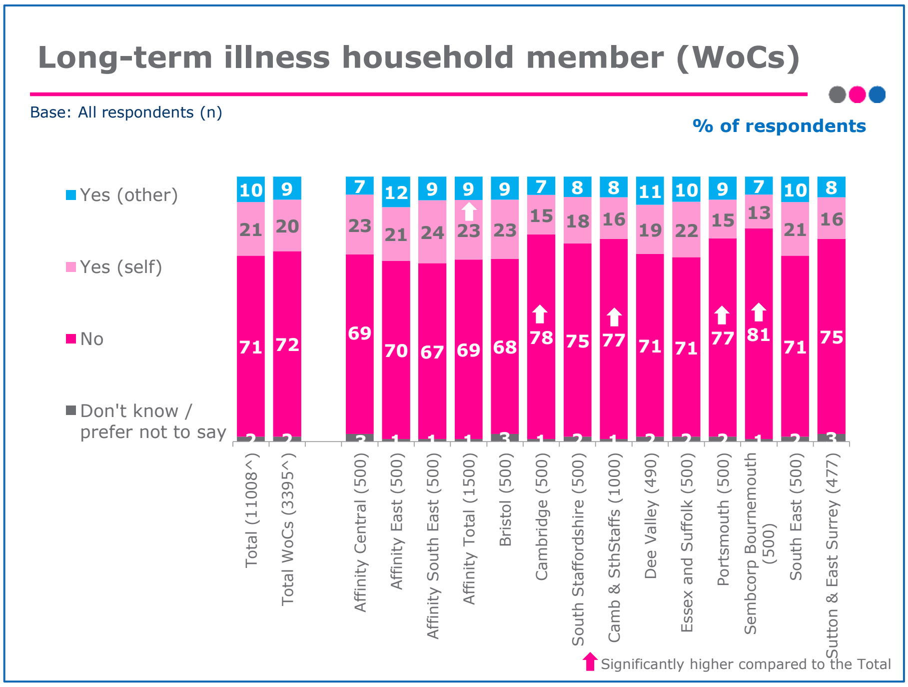


Figure 35: Long term illness or disability in household (WoCs)



- When compared to the total, more of those with lower incomes and in lower SECs have a long term illness or disability themselves (39% of those with an income of less than £10,000 and 36% of those in SEC 4/5 have a long term illness/disability, compared to 21% totally) while more of those in the higher income brackets and in SEC1 do not have a long term illness or disability themselves (83% of those with a household income of over £50,000 and 76% of those in SEC1 do not have a long term illness or disability, compared to 71% totally)
- More of those with higher bills have someone else in the household who has a long term illness or disability, when compared to the total (12% of those with a bill over £500 have someone else in the household with a long term illness/disability, compared to 10% totally)

Metered vs unmetered customers

Respondents were asked whether they are on water meters or not.

Figure 36: Metered vs unmetered customers (WaSCs)

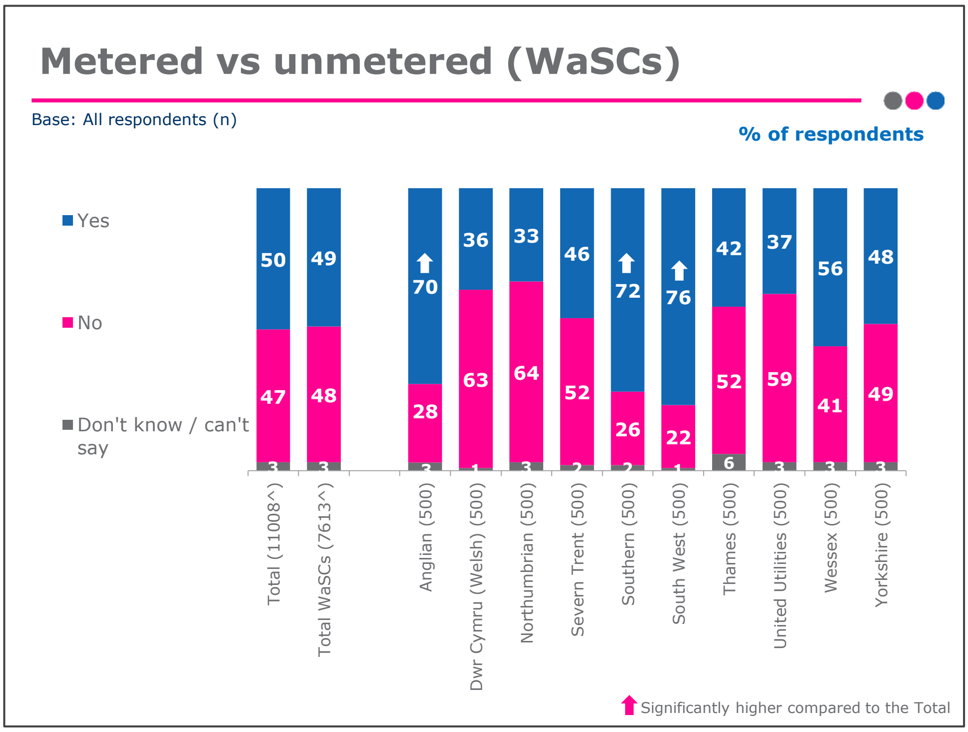
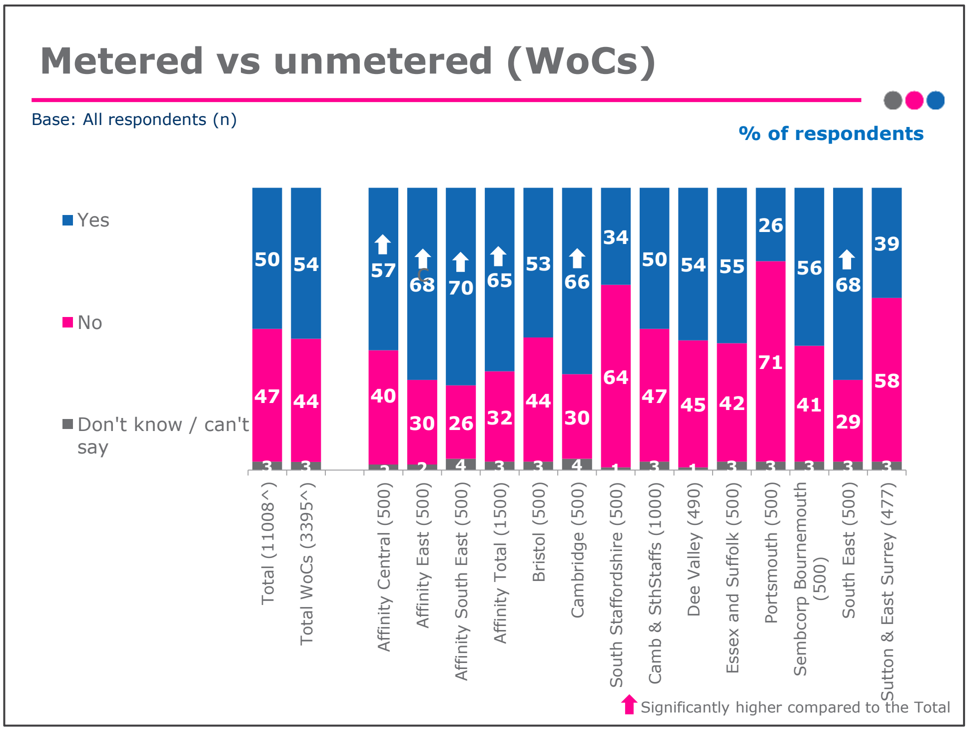


Figure 37: Metered vs unmetered customers (WoCs)



- As a total level, the split between metered and unmetered customers is fairly equal for both WaSCs and WoCs, but there are differences between the water companies.
- When compared to the total, more WoCs have metered customers (54% vs 50%).

- More older customers tend to have water meters fitted with 59% of 60-74 year olds and 65% of those over 75 years having meters, compared to 50% totally. Significantly more of the youngest age group (18-29) don't know whether they have a water meter fitted or not (8% vs 3% totally).
- There also seem to be a correlation between household income and being charged through a water meter, with more of those with a higher household income having a water meter (59% of those with a household income of more than £50,000 have a water meter vs 50% totally); and with more of those with a lower household income not having a water meter (51% of those with a household income of less than £10,000 do not have a meter, vs 47% totally).

11. Appendix 3

Figure 38: Uninformed acceptability (1): text shown

Uninformed Acceptability (1)

- All respondents were shown an increase or a decrease of an average bill over the whole 5 years period in %

WaSCs

[WATER COMPANY] has produced a plan on how they will provide water and sewerage services and the investments they will make for the 5 year period 2015 to 2020.
Ofwat (the regulator for the water industry) has reviewed the plan and made a draft decision on the service levels which customers will get, and how their bills will change from 2015 to 2020.
We would like to get your views on this.
Over the five year period customer bills will fall on average by x% each year, before the effect of inflation is added.

WoCs

[WATER COMPANY] has produced a plan on how they will provide water services and the investments they will make for the 5 year period 2015 to 2020 and [SEWERAGE COMPANY] has produced a plan on how they will provide sewerage services and the investments they will make for the 5 year period 2015 to 2020.
Ofwat (the regulator for the water industry) has reviewed these plans and made a draft decision on the service levels which customers will get, and how their bills will change from 2015 to 2020.
We would like to get your views on this.
Over the five year period overall customer bills will fall on average by x% each year, before the effect of inflation is added.

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Figure 39: Uninformed acceptability (2): text shown

Uninformed Acceptability (2)

- All respondents were shown a change of the average bill from £xxx currently to £xxx by 2020

WaSCs

From 2015 [WATER COMPANY] will introduce new service levels up to 2020. Services will either improve or stay at current levels. [WATER COMPANY] will:

• Continue to ensure tap water remains safe and clean;
• Continue to ensure sewer pipes are maintained;
• Manage the effect of their work on the environment; and
• Make other improvements where necessary

This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £xxx now, to £xxx by 2020

WoCs

From 2015 [WATER COMPANY] will introduce new service levels up to 2020. Services will either improve or stay at current levels. [WATER COMPANY] will:

• Continue to ensure tap water remains safe and clean;
• Manage the effect of their work on the environment; and
• Make other improvements where necessary

This will mean the average household bill for water and sewerage services, which includes inflation, will increase from £xxx now, to £xxx by 2020

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12. Appendix 4

Figure 40: Uninformed acceptability: summary of information shown - WaSCs

Summary of information shown per company - WaSCs

Water company - WaSCs	Uninformed acceptability 1 (% of change over the 5 years period, before inflation)	Uninformed acceptability 2 (change of the average bill from £xxx currently to £xxx by 2020)	Uninformed acceptability 2: increase/ decrease from now to 2020 (£)
Anglian	- 2.2%	£408 to £428	20 ↑
Dwr Cymru (Welsh)	- 1.0%	£416 to £467	51 ↑
Northumbrian	0.3%	£345 to £401	56 ↑
Severn Trent	- 1.1%	£315 to £350	35 ↑
Southern	- 1.7%	£413 to £445	32 ↑
South West	- 1.4%	£516 to £565	49 ↑
Thames	- 0.7%	£350 to £428	78 ↑
United Utilities	- 1.7%	£388 to £418	30 ↑
Wessex	- 1.9%	£459 to £490	31 ↑
Yorkshire	- 1.0%	£353 to £396	43 ↑

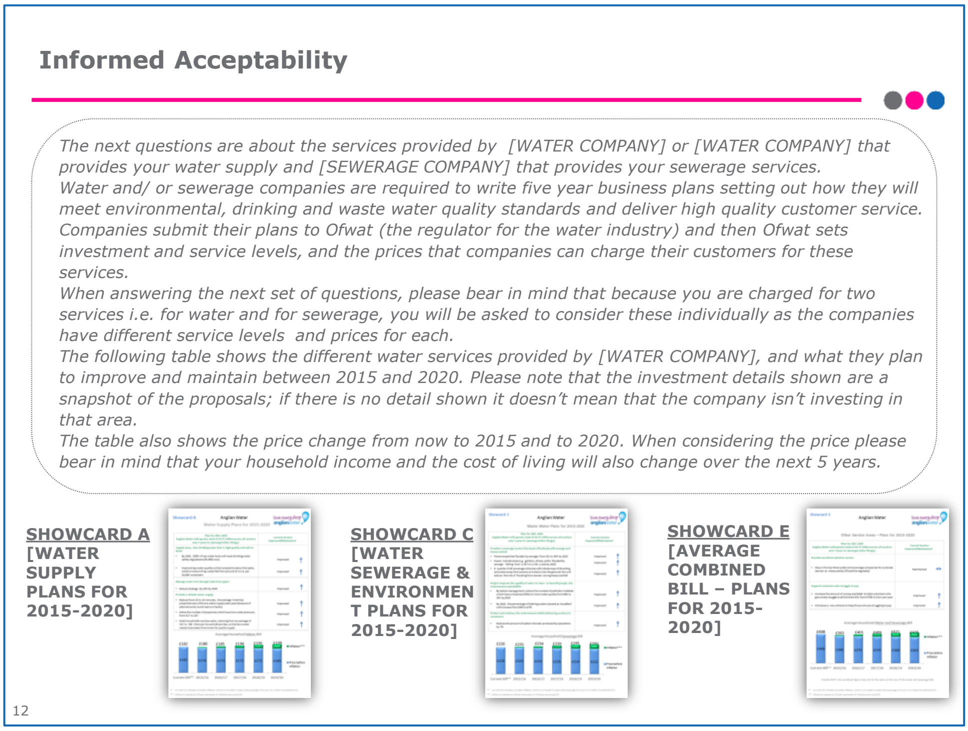
Figure 41: Uninformed acceptability: summary of information shown - WoCs

Summary of information shown per company - WoCs

Water company - WaSCs	Uninformed acceptability 1 (% of change over the 5 years period, before inflation)	Uninformed acceptability 2 (increase of the average bill from £xxx currently to £xxx by 2020)	Uninformed acceptability 2: increase/ decrease from now to 2020 (£)
Affinity Central + Thames	0%	£166 to £183 for water only	17 ↑
Affinity Central + Anglian	-1.3%		
Affinity East	-1.1%	£163 to £183 for water only	20 ↑
Affinity South East	-2.5%	£194 to £183 for water only	11 ↓
Bristol	-2.8%	£191 to £166 for water only	25 ↓
Cambridge	-1.1%	£133 to £151 for water only	18 ↑
South Staffordshire	-0.6%	£133 to £151 for water only	18 ↑
Dee Valley	-0.4%	£144 to £160 for water only	16 ↑
Essex & Suffolk + Anglian	-0.8%	£215 to £249 for water only	34 ↑
Essex & Suffolk + Thames	0.5%		
Portsmouth Water	-1.1%	£92 to £108 for water only	16 ↑
Sembcorp Bournemouth + Wessex	-1.5%	£145 to £147 for water only	2 ↑
Sembcorp Bournemouth + Southern	-1.9%		
South East + Thames	0%	£190 to £211 for water only	21 ↑
South East + Southern	-1.4%		
Sutton & East Surrey + Thames	-0.2%	£176 to £189 for water only	13 ↑
Sutton & East Surrey + Southern	-1.6%		

13. Appendix 5

Figure 42: Informed acceptability: introduction text shown



14. Appendix 6

Figure 43: Informed acceptability: summary of information shown (WaSCs)

Summary of information shown per company - WaSCs

Water company - WaSCs	Water			Sewerage			Combined bill		
	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)
Anglian	182	199	17 ↑	226	250	24 ↑	408	428	20 ↑
Dwr Cymru (Welsh)	173	204	31 ↑	243	286	43 ↑	416	467	51 ↑
Northumbrian	159	184	25 ↑	186	217	31 ↑	345	401	56 ↑
Severn Trent	167	199	32 ↑	149	172	23 ↑	315	350	35 ↑
Southern	143	171	28 ↑	271	296	25 ↑	413	445	32 ↑
South West	216	243	27 ↑	300	350	50 ↑	516	565	49 ↑
Thames	200	227	27 ↑	149	190	41 ↑	350	428	78 ↑
United Utilities	182	218	36 ↑	206	224	18 ↑	388	418	30 ↑
Wessex	238	262	24 ↑	220	250	30 ↑	459	490	31 ↑
Yorkshire	160	185	25 ↑	193	231	38 ↑	353	396	43 ↑

Figure 44: Informed acceptability: summary of information shown (WoCs 1/2)

Summary of information shown per company – WoCs (1/2)

Water company - WaSCs	Water			Sewerage			Combined bill		
	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)
Affinity Central + Thames	166	183	17 ↑	149	190	41 ↑	315	372	57 ↑
Affinity Central + Anglian	166	183	17 ↑	226	250	24 ↑	392	433	41 ↑
Affinity East + Anglian	163	183	20 ↑	226	250	24 ↑	389	433	44 ↑
Affinity South East + Southern	194	183	11 ↓	271	296	25 ↑	465	478	13 ↑
Bristol + Wessex	191	166	25 ↓	220	250	30 ↑	411	416	5 ↑
Cambridge + Anglian	133	151	18 ↑	226	250	24 ↑	359	401	42 ↑
South Staffordshire + Severn Trent	133	151	18 ↑	149	172	23 ↑	282	323	41 ↑
Dee Valley + Welsh	144	160	16 ↑	243	286	43 ↑	387	447	60 ↑

Figure 45: Informed acceptability: summary of information shown (WoCs 2/2)

Summary of information shown per company – WoCs (2/2)

Water company - WaSCs	Water			Sewerage			Combined bill		
	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)	Shown average Current bill (3)	2020 bill (£)	Increase/ Decrease (£)
Essex & Suffolk + Thames	215	249	34 ↑	149	190	41 ↑	364	438	74 ↑
Essex & Suffolk + Anglian	215	249	34 ↑	226	250	24 ↑	441	499	58 ↑
Portsmouth + Southern	92	108	16 ↑	271	296	25 ↑	363	404	41 ↑
Sembcorp Bournemouth + Wessex	145	147	2 ↑	220	250	30 ↑	365	397	32 ↑
Sembcorp Bournemouth + Southern	145	147	2 ↑	271	296	25 ↑	416	443	27 ↑
South East + Thames	190	211	21 ↑	149	190	41 ↑	339	401	62 ↑
South East + Southern	190	211	21 ↑	271	296	25 ↑	461	507	46 ↑
Sutton & East Surrey + Thames	176	189	13 ↑	149	190	41 ↑	325	378	53 ↑
Sutton & East Surrey + Southern	176	189	13 ↑	271	296	25 ↑	447	484	37 ↑

15. Appendix 7

Table 20: Respondents who were asked combined and separate bill affordability questions

Water Company	Combined vs separate bill	Combined proposal affordability	Separate bills proposals affordability	
			Water proposal affordability	Sewerage proposal affordability
Anglian Water	metered - combined unmetered – separate	✓ (Metered only)	✓ (Unmetered only)	✓ (Unmetered only)
Severn Trent Water	metered - combined unmetered – separate	✓ (Metered only)	✓ (Unmetered only)	✓ (Unmetered only)
South West Water	Combined	✓	✗	✗
Southern Water	Combined	✓	✗	✗
Thames Water	Combined	✓	✗	✗
United Utilities	Combined	✓	✗	✗
Wessex Water	Combined	✓	✗	✗
Yorkshire Water	Combined	✓	✗	✗
Northumbrian Water	Combined	✓	✗	✗
Welsh Water	Combined	✓	✗	✗
Affinity Central	Combined	✓	✓ (only those who have said combined proposal is unaffordable)	✓ (only those who have said combined proposal is unaffordable)
Affinity East	Combined	✓	✓ (only those who have said combined proposal is unaffordable)	✓ (only those who have said combined proposal is unaffordable)
Affinity South East	Separate	✗	✓	✓
Bristol Water	Combined	✓	✓ (only those who have said combined proposal is unaffordable)	✓ (only those who have said combined proposal is unaffordable)
Cambridge Water	Combined	✓	✓ (only those who have said combined proposal is unaffordable)	✓ (only those who have said combined proposal is unaffordable)
Dee Valley Water	Combined	✓	✓ (only those who have said combined proposal is unaffordable)	✓ (only those who have said combined proposal is unaffordable)
Essex & Suffolk Water	Anglian - separate Thames – combined	✓ Thames sewerage only)	✓ all Anglian sewerage + only those amongst Thames who have said combined proposal is unaffordable	✓ all Anglian sewerage + only those amongst Thames who have said combined proposal is unaffordable
Portsmouth Water	Separate	✗	✓	✓
Sembcorp Bournemouth Water	Wessex - separate Southern - separate	✗	✓	✓
South East Water	Thames - combined Southern - separate	✓ Thames sewerage only)	✓ all Southern sewerage + only those amongst Thames who have said combined proposal is unaffordable	✓ all Southern sewerage + only those amongst Thames who have said combined proposal is unaffordable
South Staffordshire Water	Severn - combined	✓	✓ (only those who have said combined proposal is unaffordable)	✓ (only those who have said combined proposal is unaffordable)
Sutton & East Surrey Water	Thames - combined Southern - separate	✓ Thames sewerage only)	✓ all Southern sewerage + only those amongst Thames who have said combined proposal is unaffordable	✓ all Southern sewerage + only those amongst Thames who have said combined proposal is unaffordable

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